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Appropriations Report

1993 BIENNIUM

Volume II

Submitted by

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NATURAL RESOURCES & COMMERCE

PUBLIC SERVICE REGULATION

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	46.00	47.00	47.00	.00	48.00	47.00	1.00-	1.00
Personal Services	1,372,335	1,558,758	1,509,816	48,942-	1,587,683	1,508,757	78,926-	10.02%
Operating Expenses	304,111	401,326	595,599	194,273	512,414	445,285	67,129-	95.85%
Equipment	45,910	51,816	36,105	15,711-	42,079	39,579	2,500-	-21.36%
Total Costs	$1,722,356	$2,011,900	$2,141,520	$129,620	$2,142,176	$1,993,621	$148,555-	24.34%
Fund Sources								
General Fund	1,683,400	1,965,982	2,096,986	131,004	2,096,258	1,949,128	147,130-	24.57%
Federal Revenue Fund	21,780	25,918	25,137	781-	25,918	25,113	805-	15.41%
Proprietary Fund	17,176	20,000	19,397	603-	20,000	19,380	620-	12.93%
Total Funds	$1,722,356	$2,011,900	$2,141,520	$129,620	$2,142,176	$1,993,621	$148,555-	24.34%

Agency Description

The Department of Public Service Regulation regulates the public utility, motor carrier, and railroad industries to provide safe, reliable, and adequate services at the lowest achievable cost to the consumers while concurrently providing the regulated industries with a fair and reasonable return on their investment for the services rendered. The department is provided for in Sections 2-15-2601 and 69-1-102, MCA, and operates under one program, the Public Service Commission. This program is overseen by five commissioners elected from districts throughout Montana.

Budget

Personal services are 1.0 FTE and 10.0 percent higher than fiscal 1990 actual expenditures due to: 1) budget modifications which add 1.0 FTE and $33,209 in fiscal 1992 and $33,168 in fiscal 1993; 2) vacancy savings in fiscal 1990; and 3) the fiscal 1991 pay plan increase continuing in the 1993 biennium. The legislature implemented a 4 percent across-the-board reduction in funding for all staff, except the commissioners. This reduced personal services by $52,653 in fiscal 1992 and $52,634 in fiscal 1993. The pay plan increase for fiscal 1992 and fiscal 1993 (House Bill 509) is not included in the table above or in the program tables. In volume I of this report in the "Pay Plan" section is a description of the pay plan increase and a table showing allocations to each agency.

Operating expenses, which are funded at the fiscal 1991 appropriated level, account for an increase of $63,279 in fiscal 1992 and $26,140 in fiscal 1993. Operating expenses included a $50,000 biennial appropriation for specialized outside consultants to represent

PUBLIC SERVICE REGULATION

the department before such agencies as the Federal Energy Regulatory Commission and the Interstate Commerce Commission. Budget modifications add $206,140 in fiscal 1992 and $109,379 in fiscal 1993.

Equipment, which was approved at the agency's request, includes three replacement vehicles, five replacement radios, and two laser printers.

Budget Modifications

	Executive				Legislative			
Modification Type	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93
1) Travel/Registration Fees			$50,000	$50,000			$25,000	$25,000
2) Exempt Positions							28,800	28,800
3) PSC Relocation							284,430	284,430
4) Log Hauler Regulations-HB192					1.0	1.0	43,666	43,666
Total	0.0	0.0	$50,000	$50,000	1.0	1.0	$381,896	$381,896

1) The Travel/Registration Fees modification is a biennial appropriation to enhance participation in local and interstate conferences and commission hearings.

2) The Exempt Positions modification provides authority for the Commission to increase salaries for the ten exempt positions in the department.

3) The PSC Relocation modification provides increased rent and one-time-only moving costs in fiscal 1992 for relocation out of the Department of Highway's building due to enactment of Senate Bill No. 164 (creating the Department of Transportation).

4) The Log Hauler Regulations-HB192 modification implements House Bill No. 192, which pertains to the transportation of logs as a regulated commodity.

PUBLIC SERVICE REGULATION

Funding

The Department of Public Service Regulation is funded primarily with general fund. The amount of general fund appropriated to finance the department is reimbursed through a utility tax deposited into the general fund. Federal revenue finances the Natural Gas Pipeline Safety program on a 50/50 general fund match basis and also provides indirect cost support. Proprietary funds consist of reimbursements the department receives from out-of-state utility companies for costs associated with conducting audits.

DEPARTMENT OF FISH, WILDLIFE, & PARKS

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	534.26	556.01	553.03	2.98-	556.01	553.13	2.88-	18.77
Personal Services	13,975,411	16,117,630	15,526,987	590,643-	16,115,325	15,323,416	791,909-	11.10%
Operating Expenses	9,696,159	13,443,797	14,928,263	1,484,466	13,608,148	12,345,982	1,262,166-	53.96%
Equipment	1,825,284	1,587,948	1,614,957	27,009	1,477,917	1,520,127	42,210	-11.52%
Capital Outlay	192,740	10,000	10,000	0	10,000	10,000	0	-94.81%
Grants	351,314	814,413	1,567,244	752,831	814,445	461,053	353,392-	346.11%
Benefits and Claims	4,274	3,000	3,000	0	3,000	3,000	0	-29.81%
Transfers	163,651	3,061,450	3,061,450	0	3,265,367	3,265,367	0	1770.72%
Total Costs	$26,208,833	$35,038,238	$36,711,901	$1,673,663	$35,294,202	$32,928,945	$2,365,257-	40.07%
Fund Sources								
General Fund	0	750,000	423,055	326,945-	750,000	423,064	326,936-	.00%
State Revenue Fund	18,090,190	21,456,531	23,019,436	1,562,905	21,545,507	20,072,969	1,472,538-	27.25%
Federal Revenue Fund	5,996,101	10,505,359	10,852,012	346,653	10,665,244	10,024,403	640,841-	80.98%
Capital Projects Fund	0	0	18,600	18,600	0	0	0	.00%
Proprietary Fund	2,122,542	2,326,348	2,398,798	72,450	2,333,451	2,408,509	75,058	13.02%
Total Funds	$26,208,833	$35,038,238	$36,711,901	$1,673,663	$35,294,202	$32,928,945	$2,365,257-	40.07%

Agency Description

The Montana Department of Fish, Wildlife, and Parks, under direction of the Fish and Game Commission, is responsible for managing Montana's fish, wildlife, and recreational resources and with providing optimum outdoor recreational opportunities for Montanans and their guests. The department is responsible for a state park system that includes scenic, historical, cultural, and recreational resources. Implementation of the department's programs occur in seven department divisions in addition to the director's office and within eight regional field offices throughout the state. The five-member Fish and Game Commission provides policy to the department on resource management, seasons, and use of lands owned or controlled by the department.

Language

"If the department receives private funds, it may increase its state special revenue appropriation and decrease its federal revenue appropriation by like amounts."

DEPARTMENT OF FISH, WILDLIFE, & PARKS

"The appropriation for the legislative contract authority in items 1b, 3b, 4a, 5b, 6b, 7b, and 8a [Legislative Contract Authority] is subject to the following provisions:

1) Legislative contract authority applies only to federal and private funds.

2) Legislative contract authority expenditures must be reported on state accounting records. The records must be separate from current level operations.

3) A report must be submitted by the department to the Legislative Fiscal Analyst following the end of each fiscal year of the biennium. The report must include a listing of projects with the related amount of expenditures for each project."

"The department shall conduct a study of the options and methods available for allocating administrative costs to the various state special revenue funds managed by the agency. The department shall present the findings of its study to the Legislative Finance Committee by July 1, 1992, along with its recommendation, affected accounts, and any required statute changes."

Budget

In all divisions' budgets (except the Field Services Division), the legislature appropriated legislative contract authority (LCA). A legislative contract authority appropriation is authority for future federal and/or private grants that the department may receive. During the biennium, the department will receive numerous federal and private grants. At the time the budget was developed, it was not possible to predict what grants would become available. LCA provides the mechanism by which the department can accept and spend grants without going through the budget amendment process.

The 18.77 increase in FTE is due to: 1) 15.45 FTE increase from "new" budget modifications (the 10.9 FTE from "one-time-only" program expansions approved by the 1989 legislature are included in the fiscal 1990 figure); 2) 3.5 FTE increase in the Wildlife Division due to a Department of Labor ruling; 3) 3.16 increase due to "one-time-only" program expansions in 1991 approved by the 1989 legislature that are continued in the 1993 biennium; 4) elimination of 1.5 FTE in the Fisheries Division through contracting rather than hiring personnel; 5) elimination of 0.14 FTE in the Off-highway Vehicle program due to less revenue expected; and 6) elimination of 1.7 FTE in the Montana Conservation Corps.

Personal services increase 11.1 percent due to: 1) budget modifications; 2) vacancy savings in fiscal 1990; and 3) continuation of the fiscal 1991 pay plan increase in the 1993 biennium. The legislature implemented a 4 percent across-the-board reduction in funding for the total agency personal services of $649,914 in fiscal 1992 and $641,434 in fiscal 1993.

The 54.0 percent increase in operating expenses reflects: 1) budget modifications; 2) biennial appropriations that are budgeted in fiscal 1992; 3) increases in rent, SWCAP, fleet charges, leases and taxes, insurance, and headquarter's fixed costs; 4) increases in the Upland Game Bird, Off-highway Vehicle and Montana Conservation Corps, and Shooting Ranges programs; and 5) budgeting operating expenses at fiscal 1991 appropriation levels which are higher than fiscal 1990 actual expenditures.

DEPARTMENT OF FISH, WILDLIFE, & PARKS

Equipment, which reflects the agency's request in current level and budget modifications, decreases from fiscal 1990 actual expenditures due to the purchase of a $349,464 helicopter in fiscal 1990.

Capital outlay is appropriation in the Administration Division for replacement and repair of mechanical systems in headquarters.

Grants reflect appropriations to the Department of Natural Resources and Conservation for the Missouri River water reservation process (biennial appropriation), to the Cooperative Fisheries Unit at Montana State University for fish research, for improvement of upland game bird habitat (biennial appropriation), to graduate students working on wildlife research projects, for the Montana Conservation Corps, for shooting ranges (biennial appropriation), to the Department of Livestock for predator control, to the Montana State Library for the Natural Heritage program, and grants to local communities from the Land and Water Conservation fund.

Transfers mainly reflect legislative contract authority. Also included is the vehicle cost differential in the Management Services Division and snow removal contingency in the Parks Division.

Budget Modifications

The legislature approved 47 budget modifications. These modifications can be classified into two types: "old" and "new". The "old" modifications are those that the 1989 legislature approved but stipulated were to be considered "one-time-only" and not included in the current level budget submitted to the 1991 legislature. The legislature approved 17 of these "old" budget modifications. The "new" modifications are those that were presented to the legislature for the first time. The legislature approved 30 of these "new" budget modifications. The table below shows all budget modifications approved by the legislature. The ones marked with a single asterisk are the "old" modifications.

	Executive				Legislature			
Modification Type	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93
1) Fiscal Management Position	1.00	1.00		$ 68,831	1.00	1.00		$ 66,226
2) Vehicle Account**				332,000				332,000
3) Block Management*	3.30	3.30		346,228	3.30	3.30		341,050
4) Fishing & Motorboat Access*	1.00	1.00		81,330	1.00	1.00		78,976
5) Microcomputer Support*	1.00	1.00		63,704	1.00	1.00		61,396
6) Block Management - EPP	3.00	3.00		274,000	3.00	3.00		468,990
7) Game Damage				125,000				125,000
8) Sporting Information				34,000				34,000
9) License Agent Commissions				107,600				107,600
10) Devel. & Maint. of Property				120,000				120,000
11) Computerize Land Records				70,000				70,000
12) Cherry Creek Reservoir**				150,000				150,000
13) License Drawings-HB91					0.20	0.30		17,161

DEPARTMENT OF FISH, WILDLIFE, & PARKS

14) Missouri Basin Reservations*				166,826				166,826
15) Streambank Projects*				82,000				82,000
16) USFS Fisheries Data Project*	1.25	1.25		114,999	1.25	1.25		112,764
17) Evaluate Fish Population*	2.50	2.50		220,354	2.50	2.50		216,443
18) Fishing & Motorboat Access*	0.75	0.75		66,071	0.75	0.75		64,376
19) Flathead Lake Fishery*	0.50	0.50		47,853	0.50	0.50		47,021
20) Clark Fork Investigation	1.00	1.00		100,082	1.00	1.00		98,540
21) Fish Hatchery Operations				110,000				110,000
22) Eval. of Fish Intro.-HB576								75,000
23) Paddlefish Roe-HB115								52,000
24) Water Measuring Devices-HB908								29,000
25) Special Investigations**	2.00	2.00		226,452	2.00	2.00		221,127
26) Enforcement Relocation*				54,000				54,000
27) Habitat/Timber Sales Plans*				32,500				32,500
28) Canyon Ferry Wldlfe Mgt Area	0.40	0.40		15,418	0.40	0.40		14,802
29) Helicopter Rental*				181,200				181,200
30) Upland Game Bird Increase*,**				125,000				125,000
31) Devel. & Main. of Prop.-SB252					1.50	1.50		532,026
32) Park Futures Committee	8.06	8.06	$1,500,000	1,500,000	4.06	4.06	$736,720	736,720
33) Fishing Access Maintenance	0.63	0.63		100,000	0.63	0.63		99,099
34) Capitol Grounds Maintenance	0.50	0.50		55,545	0.50	0.50		54,523
35) Off-Highway Vehicles-HB309					0.16	0.16		197,160
36) Watchable Wildlife*	0.60	0.60		60,000	0.60	0.60		58,667
37) Aquatic Education				47,900				21,984
38) Update Hunter Education				50,000				50,000
39) Off-Highway Vehicles-HB309								21,800
40) Legal Services - EPP**	1.00	1.00		70,000	1.00	1.00		67,599
41) Tribal Relations				80,000				80,000
42) Interagency Support				50,000				50,000
43) Geographic Infor. System				90,000				90,000
44) Regional Offices Support				150,000				150,000
45) Sikes Act*,**				170,000				170,000
46) Predator Control*				108,000				40,000
47) Legal Services*				24,600				24,600
Total	28.49	28.49	$1,500,000	$5,871,493	26.35	26.45	$736,720	$6,099,176

* Modifications approved by the 1989 legislature, but not to be included in the current level budget submitted to the 1991 legislature.

** Included in the revised Executive Budget (changes not reflected in the main table under the Executive column).

These budget modifications are described in the program narratives.

DEPARTMENT OF FISH, WILDLIFE, & PARKS

Other Legislation

Bill No./Description	Fiscal 1992 FTE	Fiscal 1992 General Fund	Fiscal 1992 Total Funds	Fiscal 1993 FTE	Fiscal 1993 General Fund	Fiscal 1993 Total Funds
HB 833 - Watercraft Law Revisions*			$36,752			
SB 425 - Water Leasing Study Extension**			30,000			
Totals	0.00	$0	$66,752	0.00	$0	$0

* The biennial appropriation is 20 percent of fee revenue estimates.
**Biennial appropriation.

House Bill 833 - Watercraft Law Revisions - The legislature provided a biennial appropriation of all money in a newly established state special revenue account to provide boat owner education and to acquire decibel meters and marine sewage pumpout equipment. The account will receive 20 percent of watercraft certification fees, estimated at $183,760 for the biennium. The legislation increases the fee from $2.00 to $2.50.

Senate Bill 425 - Water Leasing Study Extension - The legislature provided for a biennial appropriation of $22,500 federal funds and $7,500 state special revenue to lease existing water rights for the purpose of maintaining or enhancing steamflows to benefit fisheries.

Funding

The department's primary state special revenue funding source is hunting and fishing license revenue. Table 1 shows a four-year cash flow analysis of the general license account based on legislative action to date, an estimated 4.5 percent pay plan, and estimated revenues from Senate Bill 171, which increases selected hunting and fishing license fees.

DEPARTMENT OF FISH, WILDLIFE, & PARKS

Table 1
Department of Fish, Wildlife and Parks'
General License Account

	FY 90	FY 91	FY 92	FY 93
Beginning Balance	$ 6,979,167	$ 5,517,242	$ 4,337,578	$ 2,737,372
Revenues	16,105,914	16,057,448	15,570,448	15,570,448
Senate Bill No. 171	0	0	782,586	2,189,855
Total Funds Available	$23,085,081	$21,574,690	$20,690,612	$20,497,675
Disbursements				
1. Program Expenditures	$14,896,805	$14,886,230	15,031,058	14,801,539
2. Continuing Capital Costs	2,300,323	2,121,575	503,906	434,615
3. Long Range Building Projects	0	0	413,500	413,500
4. "Old" Modifications	0	0	595,682	404,309
5. "New" Modifications	0	0	961,620	1,005,448
6. 4.5% of Total Personal Services*	0	0	725,293	1,483,121
7. 4% Personal Services Reduction			(403,360)	(398,005)
Total Disbursements	$17,197,128	$17,007,805	$17,827,699	$18,144,527
Adjustments	($370,711)	($229,307)	($125,540)	$0
Ending Balance	$ 5,517,242	$ 4,337,578	$2,737,372	$2,353,148

* Final pay plan allocation (House Bill 509) was not available at the time of publication.

Earmarked license fees fund specific projects such as wildlife habitat and fishing access sites acquisition, upland game bird habitat improvement, and river restoration. Federal funds consist primarily of Pittman-Robertson and Dingell-Johnson grants, Land and Water Conservation Fund revenues, and federal overhead.

General fund finances the Park Futures Committee budget modification and a portion of the Montana Conservation Corps. Increased state special revenue funding mainly reflects budget modifications funded with hunting and fishing license revenue and the biennial

appropriation for the Upland Game Bird program. The increase in federal funding is due to legislative contract authority which is financed with federal revenue, the Land and Water Conservation Fund biennial appropriation, and those budget modification which are 75 percent federally funded.

MANAGEMENT SERVICES DIVISION

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	40.20	35.20	35.20	.00	35.20	35.20	.00	-5.00
Personal Services	812,174	930,995	893,759	37,236-	930,668	893,439	37,229-	10.05%
Operating Expenses	1,595,228	1,847,552	1,940,242	92,690	1,871,116	1,911,523	40,407	21.63%
Equipment	1,016,887	732,946	773,170	40,224	734,607	776,067	41,460	-23.97%
Transfers	163,651	208,950	208,950	0	225,867	225,867	0	27.68%
Total Costs	$3,587,940	$3,720,443	$3,816,121	$95,678	$3,762,258	$3,806,896	$44,638	6.36%
Fund Sources								
State Revenue Fund	1,550,391	1,243,280	1,271,590	28,310	1,289,259	1,263,950	25,309-	-17.98%
Federal Revenue Fund	310,620	546,500	536,048	10,452-	545,037	534,542	10,495-	72.57%
Proprietary Fund	1,726,929	1,930,663	2,008,483	77,820	1,927,962	2,008,404	80,442	16.30%
Total Funds	$3,587,940	$3,720,443	$3,816,121	$95,678	$3,762,258	$3,806,896	$44,638	6.36%

Program Description

The Management Services Division is an administrative and support unit. It provides department-wide support for accounting, fiscal management, purchasing and property management, personnel, federal aid administration, and word processing functions. In addition, the program administers a planning system to formulate and evaluate department-wide work efforts. The Legal Unit was transferred from this program to the Administration program.

Legislative Intent

The Management Services Division's budget includes $20,813 per year for warrant processing fees, which is to be paid in full to the Sate Auditor's Office as reimbursement for warrant processing costs.

Budget

The decrease in FTE results from: 1) the transfer of 6.0 FTE to the Administration Division (4.0 FTE of whom are in the Legal Unit which was moved to that division) and the addition of 1.0 FTE in a budget modification. Personal services increase by 10.1 percent due to: 1) vacancy savings in fiscal 1990; 2) the fiscal 1991 pay plan increase which continues in the 1993 biennium; and 3) budget

MANAGEMENT SERVICES DIVISION

modifications which add $31,301 in fiscal 1992 and $31,225 in fiscal 1993. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of $37,236 in fiscal 1992 and $37,229 in fiscal 1993.

Operating expenses increase 21.6 percent due to: 1) budget modifications which add $86,107 in fiscal 1992 and $89,771 in fiscal 1993; 2) a decrease of $10,500 per year of operating costs associated with the reorganization of Planning Unit to the Administration Division; 3) increase of $30,601 in audit costs which are budgeted in fiscal 1992; 3) increase of $74,342 for insurance; 4) $69,984 increase in statewide indirect costs; 5) $4,456 rent increase; 6) $20,813 per year of warrant writing charges by the State Auditor's Office; and 7) budgeting operating expenses at the fiscal 1991 appropriation level which adds $67,124 in fiscal 1992 and $69,516 in fiscal 1993.

The 24.0 percent decrease in equipment is due to high expenditures in fiscal 1990 for the purchase of a helicopter ($349,464). Equipment appropriation for the 1993 biennium, which reflects the agency's request, includes replacement of 44 vehicles in fiscal 1992 and 48 in fiscal 1993, $62,000 for new blades and $25,000 for a rebuilt engine for the helicopter, and office furniture and equipment. Budget modifications add $78,593 in fiscal 1992 and $79,699 in fiscal 1993.

Transfer authority is comprised of two items: 1) the legislature included $65,000 per year of legislative contract authority (LCA); and 2) vehicle replacement cost differential adds $143,950 in fiscal 1992 and $160,867 in fiscal 1993. Actual expenditures of LCA are not included in the fiscal 1990 figure. The vehicle differential is the additional cost, due to inflation, of replacing vehicles. Due to federal requirements, the department's vehicle account cannot charge inflation in the fleet charge to the various divisions. Therefore, the differential is necessary to budget for replacement of new vehicles.

Budget Modifications

	Executive				Legislature			
Modification Type	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93
1) Fiscal Management Position	1.00	1.00		$ 68,831	1.00	1.00		$ 66,226
2) Vehicle Account*				332,000				332,000
Total	1.00	1.00	$0	$400,831	1.00	1.00	$0	$400,831

* Included in the revised Executive Budget (changes not reflected in the program table under the Executive column).

MANAGEMENT SERVICES DIVISION

1) The Fiscal Management Position modification provides assistance in budget preparation and monitoring the laws and rules relating to the department's various earmarked accounts.

2) The Vehicle Account modification adds additional authority for the biennium from the department's equipment enterprise proprietary account. This account receives a per mile charge from vehicles used by all programs in the department and in turn pays all costs from this account. The department has tabulated travel costs associated with other budget modifications approved by the legislature and this modification is the additional amount required to pay anticipated increased vehicle expenses.

Funding

The division's operating budget is funded from the general license account and indirect costs associated with federal grants and assessments on state special revenue accounts used to fund the Parks Division. The federal overhead rate of 16 percent is applied to federal grants which include Pittman-Robertson and Dingell-Johnson funds, Land and Water Conservation fund monies, Corps of Engineers, and Coast Guard grants. The Field Services and Administration Divisions also share a portion of this indirect cost pool. The same federal overhead rate (less SWCAP) is applied to the revenue estimates on the state special revenue accounts used to fund the Parks Division. The division's two proprietary accounts consist of: 1) the vehicle account which funds vehicle replacements and receives revenue from a per-mile charge to all department's programs for use of vehicles; and 2) the warehouse account which funds the department's surplus property sales. The decrease in state special revenue in the 1993 biennium is from the expenditure of general license account for the purchase of a helicopter which is not included in the 1993 biennium. Federal revenue is expected to increase in the 1993 biennium with a portion of the increase funding the Management Services Division. Proprietary funding increases due to the vehicle account modification and increases in expenditures in the vehicle program, primarily vehicle purchases.

FIELD SERVICES DIVISION

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	45.41	47.41	47.61	.20	47.41	47.71	.30	2.20
Personal Services	1,041,386	1,274,844	1,227,110	47,734-	1,274,365	1,228,269	46,096-	17.83%
Operating Expenses	1,356,240	1,888,828	2,145,431	256,603	2,033,084	2,135,501	102,417	58.19%
Equipment	106,615	128,600	128,600	0	116,400	116,400	0	20.62%
Benefits and Claims	4,274	3,000	3,000	0	3,000	3,000	0	-29.81%
Total Costs	$2,508,515	$3,295,272	$3,504,141	$208,869	$3,426,849	$3,483,170	$56,321	39.69%
Fund Sources								
State Revenue Fund	2,201,038	2,702,428	2,867,080	164,652	2,833,061	2,895,168	62,107	30.26%
Federal Revenue Fund	210,801	484,151	530,924	46,773	490,114	486,887	3,227-	151.86%
Proprietary Fund	96,676	108,693	106,137	2,556-	103,674	101,115	2,559-	9.79%
Total Funds	$2,508,515	$3,295,272	$3,504,141	$208,869	$3,426,849	$3,483,170	$56,321	39.69%

Program Description

The Field Services Division provides services in six broad areas of responsibilities. The Game Damage program provides informational and material assistance to landowners for minimizing impacts of game animals to their property and crops. The Design and Construction Bureau provides architectural and engineering services to all department divisions for construction and maintenance projects at state parks, state fishing access sites, and wildlife management areas. The Aircraft Unit provides aerial mountain lake surveys and fish planting, wildlife surveys, wildlife capture and marking, and transportation flights for the department. The Landowner/Sportsmen Relation and Block Management programs establish and maintain communication with user and resource-based organizations and individuals. They also administer the Livestock Loss Reimbursement program and the Block Management program, which provides habitat and recreational access on private property. The Land Unit is responsible for the technical real estate functions of the department, including acquisition and disposal of real estate and real property and management of all permanent land records and cabin leases. The Licensing and Data Processing function of the program provides support for the department's automated functions and administers the license drawings, maintains all associated records, distributes all licenses to licensing agents, and keeps the necessary records.

Language

"[Sporting Information] contains $17,000 per year to develop informational displays for use by license agents and [License Agent Commissions] contains $10,300 in fiscal 1992 and $97,300 for increases in license agents' commissions. The expenditures of these

appropriations are contingent on the enactment of Senate Bill 171". Senate Bill 171, which increases certain fishing and hunting license fees, has been enacted.

"[Development and Maintenance of Department Property] contains $60,000 per year from the general license account for development and maintenance of wildlife management areas, waterfowl projects, parks and fishing access sites. This appropriation is reduced by the amount of funds Senate Bill 252, if enacted, provides the general license account for the management of wildlife management areas". Senate Bill 252, which revises allocation of funds for development and maintenance of wildlife habitat, has been enacted.

Budget

The increase in 2.2 FTE is due to: 1) 3.0 FTE added in the Block Management Expansion budget modification; 2) .20 FTE added in the License Drawing-HB91 budget modification; and 3) transfer of 1.0 FTE to the Administration Division. The 5.3 FTE contained in the other budget modifications are included in the fiscal 1990 figure. These modifications were approved by the 1989 legislature but were not to be included in the current level budget presented to the 1991 legislature.

Personal services increase 17.8 percent due to: 1) budget modifications which add $181,612 in fiscal 1992 and $182,939 in fiscal 1993; 2) vacancy savings in fiscal 1990; and 3) continuation of the fiscal 1991 pay plan increase in the 1993 biennium. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of $51,130 in fiscal 1992 and $51,178 in fiscal 1993.

Operating expenses increase 58.2 percent due to: 1) budget modifications which add $624,880 in fiscal 1992 and $582,742 in fiscal 1993; 2) a $14,832 increase in fleet charges; 3) an increase of $32,000 in fiscal 1992 and $52,000 in fiscal 1993 for leases and taxes; 4) an increase of $13,315 in networking fees; and 5) budgeting operating expenses at fiscal 1991 appropriated levels which add $104,164 in fiscal 1992 and $104,294 in fiscal 1993 over fiscal 1990 actual expenditures.

Equipment, which reflects the agency's request, includes 93 computers, computer software, four printers, radial arm saw, jointer, and a copier. Budget modifications add $1,000 per year.

Benefits and claims represent the Livestock Loss program, which makes payments to owners whose livestock was shot by hunters.

FIELD SERVICES DIVISION

Budget Modifications

Modification Type	Executive FTE FY92	Executive FTE FY93	Executive General Fund 92-93	Executive Total 92-93	Legislature FTE FY92	Legislature FTE FY93	Legislature General Fund 92-93	Legislature Total 92-93
1) Block Management *	3.30	3.30		$ 346,228	3.30	3.30		$ 341,050
2) Fishing & Motorboat Access *	1.00	1.00		81,330	1.00	1.00		78,976
3) Microcomputer Support *	1.00	1.00		63,704	1.00	1.00		61,396
4) Block Management Expansion	3.00	3.00		274,000	3.00	3.00		468,990
5) Game Damage				125,000				125,000
6) Sporting Information				34,000				34,000
7) License Agent Commissions				107,600				107,600
8) Devel. & Maint. of Property				120,000				120,000
9) Computerize Land Records				70,000				70,000
10) Cherry Creek Reservoir**				150,000				150,000
11) License Drawing-HB91					0.20	0.30		17,161
Total	8.30	8.30	$0	$1,371,862	8.50	8.60	$0	$1,574,173

* Modifications approved by the 1989 legislature, but not to be included in the current level budget submitted to the 1991 legislature.

** Included in the revised Executive Budget (changes not reflected in the program table under the Executive column).

1) The Block Management modification continues a portion of the block management program to meet the demand of landowners for assistance in hunter management and sportsmen's requests for more hunting opportunity on private lands. This program was established in 1985 to facilitate public hunting on private land while assisting landowners in dealing with the hunting public. Issues being dealt with in this program are people management, wildlife management, noxious weeds, and erosion. Under this program, approximately 4.5 million acres have been opened to public hunting. Modification #4 expands this program.

2) The Fishing and Motorboat Access modification continues an engineering position to design site developments for motorboat and fishing access sites.

3) The Microcomputer Support modification continues providing technical support and assistance for department computer users.

FIELD SERVICES DIVISION

4) The Block Management Expansion modification expands the block management program discussed in the above budget modification. Enrollment in the program is expected to increase in the next biennium.

5) The Game Damage modification provides additional funding to address chronic game damage (depredation) on private lands. Since 1983, the department has purchased equipment and material to deal with depredation, as well as providing herding and damage hunts when necessary.

6) The Sporting Information modification develops informational displays for use by license agents. In addition to selling licenses, these agents distribute information to the sporting public about the department's programs. These expenditures were made contingent on Senate Bill 171 which was enacted.

7) The License Agent Commission modification increases the commission paid to license agents from the current $0.30 per license to $0.40 in fiscal 1992 and to $0.50 in fiscal 1993. There are approximately 400 businesses acting as license agents that sell hunting and fishing licenses for the department. These expenditures were made contingent on Senate Bill 171 which was enacted.

8) The Development and Maintenance of Department Property modification provides additional design and construction support for wildlife management areas, waterfowl projects, parks, and fishing access sites. Because Senate Bill 252 was enacted, this appropriation is to be reduced by the amount of funds the legislation provides the general license account for the management of wildlife management areas.

9) The Computerize Land Records modification completes computerization and verification of all land records to meet legal and information requests.

10) The Cherry Creek Reservoir modification is a $150,000 biennial appropriation funded with $50,000 general license account, $50,000 local donations, and $50,000 Dingell-Johnson funds to provide for a feasibility/design study for the construction of a reservoir on Cherry Creek near Miles City. Authorized at $300,000 by the 1989 legislature, no funds will be expended in the 1991 biennium. However, the Bureau of Reclamation has completed the initial feasibility study and re-appropriation of the unspent authority will allow the state to begin the second phase of the study.

11) The License Drawing-HB91 modification implements provisions of House Bill 91, which provides for a 7 year waiting period for hunters who were issued a moose, sheep, or goat license.

Funding

State special revenue funding is primarily general license account, with lesser amounts from coal tax trust revenue and wildlife habitat trust interest. Federal funding consists of this division's share of the indirect cost pool, as well as Dingell-Johnson and Pittman-Robertson federal grants. The division's quick copy center is funded from the sole proprietary fund.

FISHERIES DIVISION

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	108.59	109.00	109.00	.00	109.00	109.00	.00	.41
Personal Services	2,799,220	3,149,438	3,023,460	125,978-	3,150,110	3,024,106	126,004-	8.01%
Operating Expenses	1,502,029	1,834,644	1,983,985	149,341	1,700,122	1,716,363	16,241	32.09%
Equipment	178,549	224,863	194,863	30,000-	153,363	153,363	0	9.14%
Grants	55,726	101,913	185,326	83,413	101,913	18,500	83,413-	232.57%
Transfers	0	1,245,000	1,245,000	0	1,505,000	1,505,000	0	.00%
Total Costs	$4,535,524	$6,555,858	$6,632,634	$76,776	$6,610,508	$6,417,332	$193,176-	46.24%
Fund Sources								
State Revenue Fund	2,363,794	2,698,252	2,691,847	6,405-	2,545,452	2,506,578	38,874-	13.88%
Federal Revenue Fund	2,171,730	3,857,606	3,922,187	64,581	4,065,056	3,910,754	154,302-	80.60%
Capital Projects Fund	0	0	18,600	18,600	0	0	0	.00%
Total Funds	$4,535,524	$6,555,858	$6,632,634	$76,776	$6,610,508	$6,417,332	$193,176-	46.24%

Program Description

The Fisheries Division is responsible for preserving and perpetuating aquatic species and their ecosystems and for meeting public demand for fishing opportunities. The division formulates and implements policies and programs that emphasize management for wild fish populations and protection of habitat necessary to maintain these populations. The program operates a hatchery program to stock lakes and reservoirs where natural reproduction is limited, regulates angler harvests, monitors fish populations, and provides and maintains adequate public access.

Language

"[Clark Fork River Investigation] contains $50,042 in fiscal 1992 and $50,040 in fiscal 1993 appropriated for aquatic resource data collection on the upper Clark Fork River in connection with the state's resource damage assessment suit against ARCO. The department shall present to the fifty-third legislature the results of this project. In preparing the 1995 biennial budget for legislative consideration, the Office of Budget and Program Planning and the Legislative Fiscal Analyst's office may not include the expenditures from this item in the current level base. In the litigation, the state shall seek reimbursement for all expenses incurred by the department associated with the assessment and litigation. Reimbursement shall include interest on the amount commensurate with rates earned in the short-term investment pool.""

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"[Fisheries Division] contains $18,600 in fiscal 1992 to contract with the U.S. Fish and Wildlife Service to raise Kokanee salmon fingerlings at the Creston National Fish Hatchery. If a second raceway shelter at the Creston National Fish Hatchery is not purchased, this appropriation is reduced by $8,220."

Budget

The increase in 0.41 FTE is due to: 1) 1.0 FTE from the Clark Fork River Investigation budget modification; 2) transfer of 0.5 FTE to the Administration Division; 3) addition of 1.41 FTE authorized by the 1989 legislature in program expansions for fiscal 1991 which are continued in the 1993 biennium; and 4) elimination by the department of 1.5 FTE in the Missouri Basin Water Reservation program through contracting. The 5.0 FTE contained in the other budget modifications are included in the fiscal 1990 figure. These modifications were approved by the 1989 legislature but were not to be included in the current level budget presented to the 1991 legislature.

Personal services increase by 8.0 percent due to: 1) budget modifications which add $122,617 in fiscal 1992 and $122,516 in fiscal 1993; 2) vacancy savings in fiscal 1990; and 3) continuation of the fiscal 1991 pay plan increase in the 1993 biennium. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of $125,978 in fiscal 1992 and $126,004 in fiscal 1993.

Operating expenses increase 32.1 percent due to: 1) budget modifications which add $344,147 in fiscal 1992 and $285,884 in fiscal 1993; 2) decrease of $70,678 of one-time-only expenses associated with the Evaluate Fish Population program that are in fiscal 1990 expenditures; 3) $24,263 increase in fleet charges; 4) $60,000 in fiscal 1992 for a biennial appropriation to conduct a water leasing study; 5) $18,600 for the Creston National Fish Hatchery; and 6) budgeting operating expenses at fiscal 1991 appropriated levels which adds $105,624 in fiscal 1992 and $81,625 in fiscal 1993 over fiscal 1990 actual expenditures. Fiscal 1990 actual expenditures contain $134,800 of cyclical costs such as printing of fishing regulations and harvest surveys which occur in even-numbered years and, therefore, are reflected in fiscal 1992 but not in fiscal 1993.

Equipment, which reflects the agency's request, includes two boats, seven boat motors, two fish hatchery trucks for $82,000 ($30,000 less than requested), a $21,000 sand filter at the Miles City Hatchery, $11,000 for 20 fiberglass fish troughs at the Washoe Park Hatchery, $35,150 of fish shocking equipment, $0.49 for a biodegradable fish bait container, $20,000 for five field wand tag detectors, and other hatchery, survey, and office equipment. Budget modifications add $5,990 per year.

Grants include $166,826 in fiscal 1992 for the Missouri Basin Reservation modification biennial appropriation which provides funds to the Department of Natural Resources and Conservation. Also included is $18,500 per year for a grant to the Cooperative Fisheries Unit at Montana State University.

Transfer authority of $1,245,000 in fiscal 1992 and $1,505,000 in fiscal 1993 reflects Legislative Contract Authority.

FISHERIES DIVISION

Budget Modifications

Modification Type	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93
1) Missouri Basin Reservations *				$166,826				$166,826
2) Streambank Projects *				82,000				82,000
3) USFS Fisheries Data Project *	1.25	1.25		114,999	1.25	1.25		112,764
4) Evaluate Fish Population *	2.50	2.50		220,354	2.50	2.50		216,443
5) Fishing & Motorboat Access *	0.75	0.75		66,071	0.75	0.75		64,376
6) Flathead Lake Fishery *	0.50	0.50		47,853	0.50	0.50		47,021
7) Clark Fork Investigation	1.00	1.00		100,082	1.00	1.00		98,540
8) Fish Hatchery Operations				110,000				110,000
9) Eval. of Fish Intro.-HB576								75,000
10) Paddlefish Roe-HB115								52,000
11) Water Measuring Devices-HB908								29,000
Total	6.00	6.00	$0	$908,185	6.00	6.00	$0	$1,053,970

* Modifications approved by the 1989 legislature, but not to be included in the current level budget submitted to the 1991 legislature.

1) The Missouri Basin Reservation modification will allow the department to continue paying its share of the cost of preparing an environmental impact statement on the Missouri River Basin water reservations, including the water reservations process on the Little Missouri River. The application process will be completed by July 1991 and the department anticipates costs of holding contested case hearings, preparing hearing transcripts, paying outside expert witnesses, and other legal costs.

2) The Streambank Projects modification continues funding of legal services which represent the department in review of Natural Stream Bed and Land Preservation Act projects, irrigation diversions, and U.S. Forest Service projects in specific regions.

3) The USFS Fisheries Data Project modification allows continued cooperative collection of fisheries data on or adjacent to national forest lands. These data are used in the decision-making process for forest management activities.

4) The Evaluation of Fish Population modification will allow for continued evaluation and monitoring of fish populations. The data from this monitoring are used to develop and assess management plans, set regulations, and assess habitat conditions on priority waters including Flathead Lake, Flathead River, Rock Creek, Blackfoot River, Big Hole River, Beaverhead River, Missouri River, Canyon Ferry Reservoir, Hauser Reservoir, Holter Reservoir, Yellowstone River, Bighorn River, and Fort Peck Reservoir.

5) The Fishing and Motorboat Access modification continues to provide administrative assistance in the Fishing Access and Motorboat Access programs. Also provided is the oversight and coordination for fishing access site acquisition, maintenance, development, and protection. In addition, the funding helps coordinate activities associated with federal matching aid, inventorying and prioritizing sites, developing maintenance guidelines, and determining the feasibility of cooperative partnerships for site management.

6) The Flathead Lake Fishery modification continues the stocking of Flathead Lake Kokanee salmon on an experimental basis in response to the decline in survival of naturally spawned fish.

7) The Clark Fork River Investigation modification provide additional data collection and analysis on impacts of past mining activities on the aquatic resources on the upper Clark Fork River in connection with the state's resource damage assessment suit against ARCO. The legislature included language that expenditures from this appropriation are not to be included in the 1995 biennium budget and that the department is to be reimbursed for all expenses associated with the suit.

8) The Fish Hatchery Operations modification provides funding for inflationary increases in fish food and provides for maintenance, repair, and increased utility costs at hatcheries other than the Miles City hatchery. The 1989 legislature authorized a $163,768 biennium expansion for the Miles City hatchery which included increased operational costs. In addition, the modification would fund the increased costs of fish health analysis and lake trout egg-take at Fort Peck.

9) The Evaluation of Fish Introductions-HB576 modification implements the provisions of House Bill 576, which requires environmental reviews when fish species are transplanted in waters where they have not previously existed.

10) The Paddlefish Roe-HB115 modification implements the provisions of House Bill 115, which amended the laws relating to the marketing of paddlefish roe by expanding the area where the roe can be collected.

11) The Water Measuring Devices-HB908 modification implements the provisions of House Bill 908, which requires the Department of Natural Resources and Conservation to identify chronically de-watered watercourses. For those identified on the department's land, and where it has a diversion structure, the department is required to install measuring devices at the sites to ensure the correct amount of water is removed.

Funding

The division's state special revenue funding is from the general license account. Federal funds consist of Pittman-Robertson and Dingell-Johnson grants and grants from the Coast Guard and the Corps of Engineers. The 80.6 percent increase in federal funds reflects the Legislative Contract Authority which is federally funded and the budget modifications which are funded with 75 percent

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federal funds. The 13.9 percent increase in state special revenue is due to the remaining 25 percent of the modifications which are funded with hunting and fishing license funds.

Funding for the Creston National Fish Hatchery is from 1983 Series bond proceeds and appears under "other" in House Bill 2.

LAW ENFORCEMENT DIVISION

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	94.02	96.18	97.04	.86	95.82	96.68	.86	3.02
Personal Services	2,881,031	3,142,668	3,045,406	97,262-	3,132,738	3,035,842	96,896-	5.71%
Operating Expenses	919,029	1,127,073	1,137,926	10,853	1,172,015	1,180,367	8,352	23.82%
Equipment	196,029	103,890	103,890	0	103,890	103,890	0	-47.00%
Transfers	0	40,000	40,000	0	40,000	40,000	0	.00%
Total Costs	$3,996,089	$4,413,631	$4,327,222	$86,409-	$4,448,643	$4,360,099	$88,544-	8.29%
Fund Sources								
State Revenue Fund	3,819,358	4,182,749	4,096,340	86,409-	4,217,930	4,129,386	88,544-	7.25%
Federal Revenue Fund	176,731	230,882	230,882	0	230,713	230,713	0	30.64%
Total Funds	$3,996,089	$4,413,631	$4,327,222	$86,409-	$4,448,643	$4,360,099	$88,544-	8.29%

Program Description

The Law Enforcement Division is responsible for ensuring compliance with the department's laws and regulations for the protection and preservation of big game animals, fur-bearing animals, fish, game birds, and other wildlife species. It also enforces laws and regulations relative to department-owned lands or waters and those pertaining to boating, hunting, snowmobile, and all-terrain vehicle safety. Other duties include administration of special purpose licenses, overseeing the department's licensing agents, and investigating wildlife damage complaints.

Language

"[Enforcement Relocation] contains $27,000 per year for employee relocation expenses. The department will present the fifty-third legislature with a report on historical expenditures for employee relocation. In preparing the 1995 biennial budget for legislative consideration, the Office of Budget and Program Planning and the Legislative Fiscal Analyst's office may not include the expenditures from this item in the current level base."

Budget

The increase of 3.02 FTE results from: 1) 2.0 FTE increase from the Special Investigations modification; 2) decrease of 0.14 FTE in the Off-Highway Vehicle program, reflecting less revenue expected; 3) net loss of 0.34 FTE through program transfers; and 4)

LAW ENFORCEMENT DIVISION

addition of 1.5 FTE authorized by the 1989 legislature in program expansions for fiscal 1991 which are continued in the 1993 biennium. In fiscal 1993, the net loss due to transfers is 0.36 FTE.

Personal services increase 5.7 percent due to: 1) budget modifications which add $63,924 in fiscal 1992 and $63,854 in fiscal 1993; 2) vacancy savings in fiscal 1990 including the Off-highway Vehicle program; and 3) continuation of the fiscal 1991 pay plan increase in the 1993 biennium. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of $126,892 in fiscal 1992 and $126,493 in fiscal 1993.

Operating expenses increase 23.8 percent due to: 1) budget modifications which add $70,656 in fiscal 1992 and $70,693 in fiscal 1993; 2) $52,823 increase in fleet charges; 3) $15,000 per year for implementing Senate Bill 449, which gives the department authority to enforce the Board of Outfitter's regulations; 4) rent increase of $8,233; 5) increase of $2,594 in fiscal 1992 and $2,634 in fiscal 1993 in the Off-highway Vehicle program, which had no expenditures in fiscal 1990; and 6) budgeting operating expenses at fiscal 1991 appropriated levels which adds $69,591 in fiscal 1992 and $67,413 in fiscal 1993 over fiscal 1990 actual expenditures.

Equipment, which reflects the agency's request, includes nine replacement snowmobiles, nine off-highway vehicles, six boats, four horse trailers, five horses, 16 radios, eight kayaks, and three saddles. Budget modifications add $3,000 per year.

The $40,000 transfer authority represents Legislative Contract Authority.

Budget Modifications

	Executive				Legislature			
Modification Type	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93
1) Special Investigations**	2.00	2.00		$226,452	2.00	2.00		$221,127
2) Enforcement Relocation*				54,000				54,000
Total	2.00	2.00	$0	$280,452	2.00	2.00	$0	$275,127

* Modifications approved by the 1989 legislature, but not to be included in the current level budget submitted to the 1991 legislature.

**Included in the revised Executive Budget (changes not reflected in the program table under the Executive column).

LAW ENFORCEMENT DIVISION

1) The Special Investigations modification expands the Special Investigation Unit from one to three investigators who investigate illegal taking and trafficking in animal parts.

2) The Enforcement Relocation modification continues an annual $27,000 increase in employee relocation costs in addition to the $23,373 per year contained in the current level budget. The department reimburses the moving costs and costs of locating a new residence for the relocated individuals. The department anticipates 10 to 12 warden retirements in the 1993 biennium, which will cause additional relocation expenses. The legislature included language that expenditures from this appropriation are not to be included in the 1995 biennium budget and that the department is to present the Fifty-third Legislature with a report on historical expenditures for employee relocation.

Funding

The division is funded primarily with state special revenue consisting of general license funds, motorboat certification and fuel taxes, state park funds, income from the coal tax trust, and snowmobile registration funds. Federal funding consists of grant funds from the Coast Guard and the Corps of Engineers. The increase in state special revenue funding is from the modifications which are entirely funded with hunting and fishing license revenue. Federal funding increases primarily from the Legislative Contract Authority which is federally funded.

WILDLIFE DIVISION

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	94.93	97.33	98.83	1.50	97.33	98.83	1.50	3.90
Personal Services	2,742,964	2,973,405	2,975,941	2,536	2,974,090	2,800,234	173,856-	8.49%
Operating Expenses	1,837,761	2,829,595	4,160,021	1,330,426	2,862,006	1,992,026	869,980-	126.36%
Equipment	95,172	111,614	151,614	40,000	111,685	111,685	0	59.31%
Grants	55,262	36,380	161,380	125,000	36,380	36,380	0	192.03%
Transfers	0	1,404,500	1,404,500	0	1,331,500	1,331,500	0	.00%
Total Costs	$4,731,159	$7,355,494	$8,853,456	$1,497,962	$7,315,661	$6,271,825	$1,043,836-	87.13%
Fund Sources								
State Revenue Fund	2,572,688	3,628,046	5,115,027	1,486,981	3,647,000	2,588,668	1,058,332-	98.82%
Federal Revenue Fund	2,158,471	3,727,448	3,738,429	10,981	3,668,661	3,683,157	14,496	73.20%
Total Funds	$4,731,159	$7,355,494	$8,853,456	$1,497,962	$7,315,661	$6,271,825	$1,043,836-	87.13%

Program Description

The Wildlife Division is responsible for the department's statewide Wildlife Management program to enhance the use of Montana's renewable wildlife resources for public benefit. It protects, regulates, and perpetuates wildlife populations with habitat management and regulated harvest. Through promotion of land management practices, wildlife habitat areas are maintained and enhanced. In addition, the program provides wildlife recreational opportunities to the public and provides public information regarding conservation of wildlife populations and wildlife habitats. The program manages nearly 502 species of animals legislatively categorized as big game, small game, furbearers, nongame, and threatened and endangered species. The department will request that, beginning in fiscal 1992, nongame promotion be transferred from this division to the Conservation and Education Division.

Budget

The increase of 3.9 FTE results from: 1) 1.9 FTE added in budget modifications; 2) an increase of 3.5 FTE added by the department to comply with a Department of Labor ruling that department staff, rather than contracted services, conduct telephone harvest surveys; and 3) transfer of 1.5 FTE to other programs.

Personal services increase 8.5 percent due to: 1) budget modifications which add $73,984 in fiscal 1992 and $7,398 in fiscal 1993; 2) $57,180 of fiscal 1993 personal services in the Upland Game Bird program's biennial appropriation which are contained in fiscal 1992; 3) vacancy savings in fiscal 1990; and 4) continuation of the fiscal 1991 pay plan increase in the 1993 biennium. The

legislature implemented a 4 percent across-the-board reduction in funding for personal services of $123,998 in fiscal 1992 and $116,676 in fiscal 1993.

Operating expenses increase 126.4 percent due to: 1) budget modifications which add $572,296 in fiscal 1992 and $106,850 in fiscal 1993; 2) an increase of $1,625,449 in the Upland Game Bird program which is budgeted in fiscal 1992 as a biennial appropriation; 3) $49,279 increase in fleet charges; 4) $35,000 for the Sun River Game Management Area building construction budgeted as a biennial appropriation; and 5) budgeting operating expenses at fiscal 1991 appropriated levels which adds $80,236 in fiscal 1992 and $78,324 in fiscal 1993 over fiscal 1990 actual expenditures (after adjustments for the $113,469 spent in fiscal 1990 in the Upland Game Bird program).

Equipment, which reflects the agency's request, includes a tractor, nine radios, six snowmobiles, three all-terrain vehicles, two camping trailers, and numerous receivers and transmitters to track game. Budget modifications add $40,000 in fiscal 1992.

Grants reflect the $125,000 biennial appropriation in fiscal 1992 for the Upland Game Bird Increase budget modification and the $36,380 per year to graduate students for research projects.

The $1,404,500 transfer authority in fiscal 1992 and $1,331,500 in fiscal 1993 represents Legislative Contract Authority.

Budget Modifications

	Executive				Legislature			
Modification Type	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93
1) Habitat/Timber Sales Plans*				$ 32,500				$ 32,500
2) Canyon Ferry Wldlfe Mgt Area	0.40	0.40		15,418	0.40	0.40		14,802
3) Helicopter Rental*				181,200				181,200
4) Upland Game Bird Increase*,**				125,000				125,000
5) Devel. & Main. of Prop.-SB252					1.50	1.50		532,026
Total	0.40	0.40	$0	$354,118	1.90	1.90	$0	$885,528

* Modifications approved by the 1989 legislature, but not to be included in the current level budget submitted to the 1991 legislature.

** Included in the revised Executive Budget (changes not reflected in the program table under the Executive column).

WILDLIFE DIVISION

1) The Habitat/Timber Sales Plans modification continues to fund a wildlife biologist position. This position, which is jointly funded with the Department of State Lands (DSL), implements habitat guidelines for state forest lands on timber sales and trains DSL employees concerning wildlife values in timber sales planning.

2) The Canyon Ferry Wildlife Management Area modification provides funding for additional personnel at the Canyon Ferry Wildlife Management Area.

3) The Helicopter Rental modification continues to provide an additional $90,600 per year for aircraft rental paid to the department's equipment enterprise proprietary account. The 1989 legislature authorized $363,600 annually for this purpose, which was $90,600 above the amount expended in fiscal 1988. This increase was approved because mild weather conditions in the 1988 base year resulted in lower than average expenditures and because of higher helicopter rates by the proprietary account associated with the fiscal 1990 purchase of a 1977 Hughes 500 helicopter.

4) The Upland Game Bird Increase modification (originally entitled Salinity Control) provides additional authority to this program (which the legislature authorized to be funded with a biennial appropriation) for improving upland game bird habitat.

5) The Development and Maintenance of Real Property-SB252 modification implements the provisions of Senate Bill 252 which revises the allocation of funds that may be used for development and maintenance of wildlife lands.

Funding

The majority of state special revenue funding consists of hunting and fishing license revenue. Earmarked hunting license fees entirely fund the Upland Game Bird and the Wildlife Habitat programs. Other specialized programs are financed from revenues earned from earmarked hunting and fishing license fees. Federal funding consists of Pittman-Robertson and Dingell-Johnson funds as well as grants from the Coast Guard and Corps of Engineers. The legislature authorized the replacement of $141,000 of hunting and fishing license funds in the Wildlife Division with federal funds that had been used to fund the Shooting Ranges program within the Conservation Education Division. Tax check-off funding of the Non-game program has been replaced with of hunting and fishing license revenue and is now used to fund a portion of the Watchable Wildlife program in the Conservation Education Division. Increased federal funding results from: 1) Legislative Contract Authority which is entirely federally funded; 2) the helicopter rental budget modification which is financed 75 percent with federal funds; and 3) the funding switch of hunting and fishing license revenue with federal revenue that had been used in the Conservation Eduction Division. The state special revenue increase is due primarily to the increase in general license account expenditures by the budget modifications and the biennial upland game bird appropriation.

PARKS DIVISION

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	96.18	104.51	98.97	5.54-	104.87	99.33	5.54-	2.79
Personal Services	1,787,990	2,381,936	2,179,974	201,962-	2,391,262	2,188,972	202,290-	21.92%
Operating Expenses	1,413,211	2,256,065	1,887,079	368,986-	2,297,850	1,905,786	392,064-	33.53%
Equipment	164,077	223,910	201,660	22,250-	215,501	216,251	750	22.91%
Grants	121,315	350,000	946,266	596,266	350,000	246,173	103,827-	680.01%
Transfers	0	33,000	33,000	0	33,000	33,000	0	.00%
Total Costs	$3,486,593	$5,244,911	$5,247,979	$3,068	$5,287,613	$4,590,182	$697,431-	50.52%
Fund Sources								
General Fund	0	750,000	423,055	326,945-	750,000	423,064	326,936-	.00%
State Revenue Fund	2,898,902	3,543,704	3,526,531	17,173-	3,571,676	3,554,006	17,670-	21.65%
Federal Revenue Fund	288,754	664,215	1,014,215	350,000	664,122	314,122	350,000-	251.24%
Proprietary Fund	298,937	286,992	284,178	2,814-	301,815	298,990	2,825-	-4.94%
Total Funds	$3,486,593	$5,244,911	$5,247,979	$3,068	$5,287,613	$4,590,182	$697,431-	50.52%

Program Description

The Parks Division is responsible for conserving the scenic, historic, archaeologic, scientific, and recreational resources of the state and providing for their use and enjoyment. The program manages 60 parks and eight affiliated lands including natural, recreational, and cultural sites. It also maintains 300 fishing access sites. Programs administered by the program include snowmobile, off-highway, Land and Water Conservation, capitol grounds maintenance, and the Montana Conservation Corps. The State Park Futures Committee was appointed by the Governor during the 1991 biennium to seek public comment and to develop solutions on solving funding needs for this program.

Language

"[Parks Division] contains $246,266 federal funds and $54,699 general fund in fiscal 1992 and $246,173 federal funds and $54,700 general fund in fiscal 1993 for the Montana Conservation Corps. It is the intent of the legislature that the department provide a liaison position to coordinate this program with the Human Resource Development Council."

PARKS DIVISION

Budget

The increase of 2.79 FTE results from: 1) 5.35 FTE added in the four budget modification; 2) elimination of 1.7 FTE from the Montana Conservation Corps program; and 3) transfer of 0.86 FTE to other programs. The 0.36 FTE increase between fiscal 1992 and fiscal 1993 reflects a net program transfer from the Law Enforcement Division to the Off-highway Vehicle program in the Parks Division.

Personal services increase 21.9 percent due to: 1) budget modifications which add $114,397 in fiscal 1992 and $114,253 in fiscal 1993; 2) vacancy savings in fiscal 1990 including the Off-highway Vehicle and Montana Conservation Corps programs, which were not operational in fiscal 1990; and 3) continuation of the fiscal 1991 pay plan increase in the 1993 biennium. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of $93,791 in fiscal 1992 and $94,164 in fiscal 1993.

Operating expenses increase 33.5 percent due to: 1) budget modifications which add $354,353 in fiscal 1992 and $354,499 in fiscal 1993; 2) an increase of $13,053 in fiscal 1992 and $13,152 in fiscal 1993 in the Montana Conservation Corps program; 3) an increase of $34,263 in fiscal 1992 and $25,240 in fiscal 1993 in the Off-highway Vehicle program, which had no expenditures in fiscal 1990; 4) $9,491 increase in fleet charges; and 5) budgeting operating expenses at fiscal 1991 appropriated levels, which adds $62,708 in fiscal 1992 and $32,898 in fiscal 1993 over fiscal 1990 actual expenditures.

Equipment, which is budgeted at the agency's request, plus an additional $750 per year for the Montana Conservation Corps, includes mowers, one grader, one backhoe, a dump truck, and snowmobile trail grooming machinery. Budget modifications add $75,000 in fiscal 1992 and $75,000 in fiscal 1993.

Grants represent $246,266 in fiscal 1992 and $246,173 in fiscal 1993 for grants associated with the Montana Conservation Corps program and the $700,000 Land and Water Conservation Fund biennial appropriation in fiscal 1992 ($121,315 was spent in fiscal 1990).

Transfer authority represents $8,000 per year for the snow removal contingency which would be expended during winters with unusual amounts of snowfall, and $25,000 per year in Legislative Contract Authority.

PARKS DIVISION

Budget Modifications

Modification Type	Executive FTE FY92	Executive FTE FY93	Executive General Fund 92-93	Executive Total 92-93	Legislature FTE FY92	Legislature FTE FY93	Legislature General Fund 92-93	Legislature Total 92-93
1) Park Futures Committee	8.06	8.06	$1,500,000	$1,500,000	4.06	4.06	$736,720	$736,720
2) Fishing Access Maintenance	0.63	0.63		100,000	0.63	0.63		99,099
3) Capitol Grounds Maintenance	0.50	0.50		55,545	0.50	0.50		54,523
4) Off-Highway Vehicles-HB309					0.16	0.16		197,160
Total	9.19	9.19	$1,500,000	$1,655,545	5.35	5.35	$736,720	$1,087,502

1) The Park Futures Committee modification addresses recommendations of the State Park Futures Committee. The committee recommended an accelerated five-year schedule for park improvements which would require an additional $6,313,000 and 30.24 FTE per year. The legislature approved general fund to fund a portion of the committee's recommendation.

2) The Fishing Access Maintenance modification provides for increased maintenance at various fishing access sites. Because of the growing number of sites, funds earmarked for operation and maintenance costs of the sites are insufficient. In fiscal 1990, the Parks Division expended $450,000 of general license account funds for this purpose.

3) The Capitol Grounds Maintenance modification provides temporary summer help and funding needed to remove and replace trees and shrubs injured during the winter of 1988-89. In addition, $5,500 each year is included as a pay increase for snow removal personnel.

4) The Off-Highway Vehicles-HB309 modification implements the provisions of House Bill 309, which requires the department of develop and maintain off-highway vehicle facilities, to repair areas that are damaged by off-highway vehicles, and to develop an off-highway vehicle safety program. The program to funded by 1/8 of 1 percent of the highway fuel tax.

Funding

General fund is used for the first time since fiscal 1987 to finance a portion of the Parks Division. General fund appropriations consist of $736,720 for the Parks Future Committee modification and $109,399 in the Montana Conservation Corps program for the biennium. State special revenue increases primarily to higher personal services, greater equipment expenditures and the fishing access maintenance modification. The largest state special revenue funding source for the Parks Division is from the Park Acquisition coal tax trust earnings, followed by fuel taxes on motorboats and snowmobiles. Earmarked fishing license fee revenue is used to

PARKS DIVISION

purchase and maintain fishing access sites. Other state special revenue include off-highway vehicle funds and snowmobile registrations. Federal funding consists of grants for parks and federal overhead funds. Land and Water Conservation grants fund the division's grants to counties for public outdoor recreation areas and facilities. The increase in federal funding is due to the $700,000 biennial Land and Water Conservation Fund appropriation in fiscal 1992 and $246,266 of federal funds in the Montana Conservation Corps program. The department funds two activities through proprietary accounts. The Capitol Grounds Maintenance program provides ground maintenance and snow removal for all state agencies within the capitol complex. These agencies pay proportionately based upon their square footage of office space. The snowgroomer replacement account finances the replacement of machinery used to groom over 3,200 miles of trails for snowmobile use.

CONSERVATION EDUCATION DIVISION

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	23.80	25.15	25.15	.00	25.15	25.15	.00	1.35
Personal Services	754,310	837,105	816,938	20,167-	836,097	789,336	46,761-	8.30%
Operating Expenses	542,721	659,776	663,159	3,383	672,793	666,076	6,717-	22.19%
Equipment	32,962	18,940	18,940	0	19,000	19,000	0	-42.54%
Grants	0	57,120	114,272	57,152	57,152	0	57,152-	.00%
Transfers	0	30,000	30,000	0	30,000	30,000	0	.00%
Total Costs	$1,329,993	$1,602,941	$1,643,309	$40,368	$1,615,042	$1,504,412	$110,630-	23.56%
Fund Sources								
State Revenue Fund	1,168,907	1,344,265	1,436,473	92,208	1,347,881	1,291,174	56,707-	22.89%
Federal Revenue Fund	161,086	258,676	206,836	51,840-	267,161	213,238	53,923-	28.40%
Total Funds	$1,329,993	$1,602,941	$1,643,309	$40,368	$1,615,042	$1,504,412	$110,630-	23.56%

Program Description

The Conservation Education Division, through its Helena office and seven regional information officers, is the department's primary information and education program. Its responsibilities include: 1) distributing public information through news releases, audio-visual materials, brochures, and public service announcements; 2) coordinating youth education programs; 3) printing hunting, fishing, and trapping regulations; 4) coordinating the hunter, bowhunter, snowmobile, boat, and off-highway vehicle education and safety programs; and 5) providing reception services for the department's Helena headquarters. The program publishes the Montana Outdoors magazine, produces 16mm color films, radio and television public service announcements and video documentaries, and maintains a film lending library. The department will request that, beginning in fiscal 1992, nongame promotion be transferred to this division from the Wildlife Division.

Budget

The increase of 1.35 FTE results from: 1) 1.1 FTE increase due to transfers from other programs; and 2) addition of 0.25 FTE authorized by the 1989 legislature in program expansions for fiscal 1991 which are continued in the 1993 biennium. The 0.6 FTE contained in the Watchable Wildlife modification is included in the fiscal 1990 figure. This modification was approved by the 1989 legislature.

CONSERVATION EDUCATION DIVISION

Personal services increase 8.3 percent due to: 1) $16,016 in fiscal 1992 and $15,977 in fiscal 1992 from the Watchable Wildlife budget modification; 2) vacancy savings in fiscal 1990 including the Off-highway Vehicle program which was not operational in fiscal 1990; 3) $13,872 of fiscal 1993 personal services in the Shooting Ranges program's biennial appropriation which are contained in fiscal 1992; and 4) continuation of the fiscal 1991 pay plan increase in the 1993 biennium. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of $34,039 in fiscal 1992 and $32,889 in fiscal 1993.

Operating expenses increase 22.2 percent due to: 1) budget modifications which add $60,209 in fiscal 1992 and $60,249 in fiscal 1993; 2) an increase of $493 in fiscal 1992 and $499 in fiscal 1993 in the Off-highway Vehicle program which had no expenditures in fiscal 1990; 3) $804 increase in fleet charges; 4) $6,835 increase in the biennial Shooting Ranges program appropriation in fiscal 1992; and 5) budgeting operating expenses at fiscal 1991 appropriated levels which adds $52,097 in fiscal 1992 and $60,976 in fiscal 1993 over fiscal 1990 actual expenditures.

Equipment, which is budgeted at the agency's request, includes videos, televisions, and cameras.

Grants represent $114,272 in fiscal 1992 for grants associated with the Shooting Ranges biennial appropriation.

Transfer authority represents $30,000 per year in Legislative Contract Authority.

Budget Modifications

	Executive				Legislature			
Modification Type	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93
1) Watchable Wildlife*	0.60	0.60		$ 60,000	0.60	0.60		$58,667
2) Aquatic Education				47,900				21,984
3) Update Hunter Education				50,000				50,000
4) Off-Highway Vehicles-HB309								21,800
Total	0.60	0.60	$0	$157,900	0.60	0.60	$0	$152,451

* Modifications approved by the 1989 legislature, but not to be included in the current level budget submitted to the 1991 legislature.

CONSERVATION EDUCATION DIVISION

1) The Watchable Wildlife modification (previously named Non-Game Wildlife) continues development of comprehensive regional inventories of nongame animals, collection of data, and conducting nongame animal research. The legislature replaced general license account funding with $27,377 per year of tax check-off funding from the Wildlife Division.

2) The Aquatic Education modification increases aquatic educational opportunities for Montana students, teachers, and the public through improved training and resource material.

3) The Update Hunter Education modification revises and standardizes the hunter safety curriculum taught to over 6,000 students annually. Teaching resource materials, such as updated instructor and student manuals and videos, would be created or purchased and provided to the instructors who donate their time and resources in instructing youth.

4) The Off-Highway Vehicles-HB309 modification implements the provisions of House Bill 309 which requires the department to develop and maintain off-highway vehicle facilities, to repair areas that are damaged by off-highway vehicles, and to develop an off-highway vehicle safety program. The program is funded by 1/8 of 1 percent of the highway fuel tax.

Funding

The division's largest funding source is revenue from hunting and fishing license fees. Other state special revenue includes coal tax trust earnings, snowmobile fuel tax, and off-highway vehicle fines. The legislature replaced general license account funding for the Watchable Wildlife modification with $27,377 per year of tax check-off funding from the Wildlife Division. The legislature also replaced $141,000 of federal funds with general license account funding for financing the Shooting Ranges program biennial appropriation.

ADMINISTRATION DIVISION

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	31.13	41.23	41.23	.00	41.23	41.23	.00	10.10
Personal Services	1,156,336	1,427,239	1,364,399	62,840-	1,425,995	1,363,218	62,777-	17.99%
Operating Expenses	529,940	1,000,264	1,010,420	10,156	999,162	838,340	160,822-	90.67%
Equipment	34,993	43,185	42,220	965-	23,471	23,471	0	20.65%
Capital Outlay	5,240	10,000	10,000	0	10,000	10,000	0	90.84%
Grants	119,011	269,000	160,000	109,000-	269,000	160,000	109,000-	34.44%
Transfers	0	100,000	100,000	0	100,000	100,000	0	.00%
Total Costs	$1,845,520	$2,849,688	$2,687,039	$162,649-	$2,827,628	$2,495,029	$332,599-	45.60%
Fund Sources								
State Revenue Fund	1,515,112	2,113,807	2,014,548	99,259-	2,093,248	1,844,039	249,209-	32.96%
Federal Revenue Fund	330,408	735,881	672,491	63,390-	734,380	650,990	83,390-	103.53%
Total Funds	$1,845,520	$2,849,688	$2,687,039	$162,649-	$2,827,628	$2,495,029	$332,599-	45.60%

Program Description

The Administration Division is responsible for: 1) overall department direction regarding policy, planning, program development, guidelines and budgets; 2) liaison with the Governor's Office and the legislature; 3) direct interaction with the Fish and Game Commission; 4) decision making for key resource activities affecting the department; 5) administration of seven major divisions that provide program development and staff support; 6) supervision of eight regional offices that are responsible for program implementation; 7) legal services for the department (transferred from the Management Services program); and 8) liaison with Montana's Indian tribes and with other state and federal agencies.

Language

"[Administration Division] contains $5,500 in fiscal 1992 to print the department's five-year strategic plan. In preparing the 1995 biennial budget for legislative consideration, the Office of Budget and Program Planning and the Legislative Fiscal Analyst's office may not include the expenditures from this item in the current level base."

"[Geographic Information System] contains $50,000 in fiscal 1992 and $40,000 in fiscal 1993 for a pilot project to evaluate potential uses of a geographic information system within the department. In preparing the 1995 biennial budget for legislative consideration,

the Office of Budget and Program Planning and the Legislative Fiscal Analyst's office may not include the expenditures from this item in the current level base."

Legislative Intent

It is the intent of the legislature that the FTE associated with the legal services budget modification may be either a paralegal or a lawyer.

Budget

The increase of 10.1 FTE results from: 1) 1.0 FTE from the Legal Services - EPP budget modification; and 2) 9.1 FTE due to transfers from other programs, including 4.0 FTE due to reorganization of the Legal Unit from the Management Services Division.

Personal services increase 18.0 percent due to: 1) $28,845 in fiscal 1992 and $28,777 in fiscal 1992 from the Legal Services budget modification; 2) vacancy savings in fiscal 1990; 3) budgeting per diem at fiscal 1991 appropriated level; and 4) continuation of the fiscal 1991 pay plan increase in the 1993 biennium. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of $56,850 in fiscal 1992 and $56,801 in fiscal 1993.

Operating expenses increase 90.7 percent due to: 1) budget modifications which add $335,218 in fiscal 1992 and $170,824 in fiscal 1993; 2) a decrease of $50,479 per year for one-time-only expenses contained in the fiscal 1990 figure; 2) an increase of $16,000 fiscal 1992 and $10,500 in fiscal 1993 due to the reorganization of the Planning Unit to the Administration Division; 3) $934 increase in rent; 4) $249 increase in fleet charges; 5) $30,000 per year increase for additional fixed costs associated with the new headquarters in Miles City and Billings; and 5) budgeting operating expenses at fiscal 1991 appropriated levels which adds $148,558 in fiscal 1992 and $144,733 in fiscal 1993 over fiscal 1990 actual expenditures. Differences between fiscal 1992 and fiscal 1993 are due to the $170,000 Sikes Act biennial appropriation, $6,600 for legal book printing which occurs in even-numbered years, and $5,500 in fiscal 1992 only for printing of a five-year strategic plan.

Equipment, which is budgeted at the agency's request, includes a copier, miscellaneous office equipment, and computer software. Budget modifications add $17,035 in fiscal 1992 and $1,500 in fiscal 1993.

Capital outlay is appropriation for replacement and repair of mechanical systems in headquarters.

Grants represent: 1) $25,000 per year contained in current level and $25,000 in the Interagency Support modification for a total of $50,000 per year to the Natural Heritage program in the Montana State Library; 2) $90,000 per year in current level and $20,000 per year in the Predator Control modification for a total of $110,000 per year to the Department of Livestock for predator control.

Transfer authority represents $100,000 per year of Legislative Contract Authority.

ADMINISTRATION DIVISION

Budget Modifications

	Executive				Legislature			
Modification Type	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93
1) Legal Services - EPP**	1.00	1.00		$70,000	1.00	1.00		$67,599
2) Tribal Relations				80,000				80,000
3) Interagency Support				50,000				50,000
4) Geographic Info. System				90,000				90,000
5) Regional Offices Support				150,000				150,000
6) Sikes Act*,**				170,000				170,000
7) Predator Control*				108,000				40,000
8) Legal Services*				24,600				24,600
Total	1.00	1.00	$0	$742,600	1.00	1.00	$0	$672,199

* Modifications approved by the 1989 legislature, but not to be included in the current level budget submitted to the 1991 legislature.

** Included in the revised Executive Budget (changes not reflected in the program table under the Executive column).

1) The Legal Services - EPP modification provides funding for an additional attorney or paralegal to handle an increase in number and complexity of legal issues. Major issues include the natural resource damage suit on the Clark Fork River, involvement in water issues (Clark Fork and Missouri River basin instream flow reservations, water adjudication, water leasing), initiatives by several Indian tribes to exercise treaty rights for hunting and fishing, increased illegal trafficking of game animals, and land conservation easements and leases. This position is in addition to the three attorneys already employed by the department.

2) The Tribal Relations modification provides for contracted legal services to negotiate with tribal governments on common fishing, hunting, and recreational resource interests which require additional expertise.

3) The Interagency Support modification increases the department's biennial support for the natural resource information system (NRIS) from $50,000 to $100,000.

ADMINISTRATION DIVISION

4) The Geographic Information System modification provides funding for a pilot project to evaluate the potential uses of a geographic information system (GIS) specific to department lands and with a narrower focus than the existing state library NRIS. This automated resource inventory and database management capability would support management decisions on department lands by improving planning for projects and facilitating networking with other agencies. The legislature stipulated that expenditures on this project are not to be included in the 1995 biennium budget.

5) The Regional Office Support modification will provide contracted clerical assistance for regional headquarters to support increasing public information and clerical workloads, and to provide additional security measures at regional headquarters.

6) The Sikes Act modification continues to provide matching funds for the federal Bureau of Land Management (BLM) and the U.S. Forest Service challenge grants for Fish and Wildlife Enhancement projects such as constructing new channels for fish spawning, building goose nests structures, managing roads to provide elk security during hunting season, and pot hole blasting for waterfowl.

7) The Predator Control modification continues funding the expanded Predator Control program. The department contracts with the Department of Livestock for predator control, mainly coyotes and skunks. This modification increases the department's biennial support for predator control in the Department of Livestock from $180,000 to $220,000.

8) The Legal Services modification continues to fund increased department legal and court costs.

Funding

The division is funded with hunting and fishing license fee revenue and a portion of the federal indirect cost pool. Increased state special revenue results from budget modifications which are financed with hunting and fishing license revenue. The biennial appropriation for the Sikes Act modification is funded with $150,000 general license account revenue and $20,000 federal revenue. Legislative Contract Authority is federally funded.

DEPARTMENT OF STATE LANDS

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	328.92	348.09	359.71	11.62	352.87	366.37	13.50	30.79
Personal Services	8,037,296	9,667,781	9,604,731	63,050-	9,777,870	9,760,323	17,547-	19.50%
Operating Expenses	6,594,110	4,698,518	10,898,889	6,200,371	4,430,544	7,159,941	2,729,397	65.28%
Equipment	879,262	1,387,374	1,006,847	380,527-	776,915	775,470	1,445-	14.51%
Capital Outlay	5,420,153	8,301,925	5,005,000	3,296,925-	5,000	5,005,000	5,000,000	-7.66%
Local Assistance	0	95,000	0	95,000-	95,000	0	95,000-	.00%
Grants	265,000	451,089	265,000	186,089-	451,089	265,000	186,089-	.00%
Transfers	0	132,000	100,000	32,000-	132,000	100,000	32,000-	.00%
Debt Service	0	85	0	85-	85	0	85-	.00%
Total Costs	$21,195,821	$24,733,772	$26,880,467	$2,146,695	$15,668,503	$23,065,734	$7,397,231	26.82%
Fund Sources								
General Fund	7,867,033	9,317,305	8,979,274	338,031-	8,899,796	8,631,604	268,192-	14.14%
State Revenue Fund	3,893,350	7,469,892	7,904,626	434,734	5,916,060	4,510,344	1,405,716-	103.03%
Federal Revenue Fund	9,256,275	7,726,198	9,808,543	2,082,345	634,508	9,738,175	9,103,667	5.97%
Proprietary Fund	179,163	220,377	188,024	32,353-	218,139	185,611	32,528-	4.95%
Total Funds	$21,195,821	$24,733,772	$26,880,467	$2,146,695	$15,668,503	$23,065,734	$7,397,231	26.82%

Agency Description

The Department of State Lands (DSL) has four basic functions: 1) management of the lands held by the state in trust for the support of the common schools and other institutions; 2) regulation of mining conducted on private, state, and federal lands; 3) fire prevention and suppression on certain private, state, and federal lands; and 4) regulation of and assistance to private forest land owners. The State Board of Land Commissioners, comprised of the Governor, State Auditor, Attorney General, Superintendent of Public Instruction, and the Secretary of State, is the head of the department and exercises the general authority, direction, and control over the care, management, and disposition of state lands under its administration. Section 2-15-3201, MCA, provides the statutory authority for the department. The Commissioner of State Lands is the chief administrative officer of the board.

Budget

The department's FTE increases by 30.79 in fiscal 1992 and by 37.45 in fiscal 1993 from the fiscal 1990 level. Budget modifications add 24.02 FTE in fiscal 1992 and 30.68 in fiscal 1993. The 1989 legislature authorized an increase of 7.77 FTE in fiscal 1991 which

are continued in the 1993 biennium. One FTE, vacant all of fiscal 1990, was eliminated in the Forestry program due to loss of federal funding.

The 19.5 percent increase in personal services reflects: 1) budget modifications; 2) vacany savings in fiscal 1990; 3) pay exceptions for hydrologists, environmental specialists and civil engineers in the Reclamation and Lands divisions totaling $68,879 in fiscal 1992 and $69,186 in fiscal 1993; and 4) continuation of the fiscal 1991 pay plan increase in the 1993 biennium. The legislature implemented a 4 percent across-the-board reduction in agency funding for personal services of $397,604 in fiscal 1992 and $404,089 in fiscal 1993. The pay plan increase for fiscal 1992 and fiscal 1993 (House Bill 509) is not included in the table above or in the program tables. In Volume I of this report in the "Pay Plan" section is a description of the pay plan increase and a table showing allocations to each agency.

The 65.3 percent increase in operating expenses reflects: 1) budget modifications; 2) $3,300,000 of biennial appropriations in the Reclamation program, which are budgeted in fiscal 1992; and 3) budgeting expenses at fiscal 1991 appropriated levels, which are higher than fiscal 1990 actual expenditures.

The legislature approved the agency's request for equipment in all programs. Budget modifications added $313,577 in fiscal 1992 and $158,900 in fiscal 1993.

The capital outlay appropriations are primarily in the Reclamation program for construction activity in reclaiming abandoned mines sites. Grants reflect the state equalization payments to counties for lost property taxes on state-owned lands. Transfers is the authority to spend federal reimbursements for state funds expended in fighting fires under federal jurisdiction.

The Executive Budget proposed to reorganize the Department of State Lands as part of a general reorganization of natural resource agencies. The Reclamation Division and a portion of Central Management were to be transferred to the Department of Natural Resources and Conservation (Department of Natural Resources and Environment) and the Fire Services Training School was to be transferred to the Department of State Lands. The proposed reorganization legislation (House Bill 866) was not enacted.

DEPARTMENT OF STATE LANDS

Budget Modifications

Modification Type	Executive FTE FY92	Executive FTE FY93	Executive General Fund 92-93	Executive Total 92-93	Legislative FTE FY92	Legislative FTE FY93	Legislative General Fund 92-93	Legislative Total 92-93
1) Trust Land Access			$300,000	$300,000			$300,000	$300,000
2) Helena Office Support Staff	2.00	2.00	34,043	100,043	2.00	2.00	32,801	96,393
3) Royalty Auditor Expense				20,938				20,938
4) Revised Lease for Office Space			165,984	165,984			165,984	165,984
5) Coal Bureau Workload*	3.58	5.00		298,499	3.58	5.00		300,042
6) Abandoned Mine Rent**				35,568				35,568
7) Hard Rock Workload*	3.04	4.00		248,357	3.04	4.00		240,356
8) Coal and Uranium Rent**				35,568				35,568
9) Hard Rock Increase**				200,000				200,000
10) Environmental Compliance*	3.00	3.00		220,358	3.00	3.00		235,479
11) SB 253 - Opencut Reclamation								31,000
12) Trust Land Management	4.25	6.75	361,637	361,637	2.25	4.75	206,552	206,552
13) Cabinsite Sales**				70,000				70,000
14) State/County Cooperative Fire	0.50	1.08	86,723	130,080	0.50	1.08	85,710	128,560
15) Slash Increase**	.75	.75		64,000	0.75	0.75		62,769
16) Block 5 and Philipsburg Fire	2.65	3.35	139,194	208,790	2.65	3.35	135,883	203,823
17) Best Management Practices	1.00	1.00	12,200	48,800	1.00	1.00	46,872	46,872
18) Forestry Capital Equipment			276,766	361,000			200,766	285,000
19) Urban Forestry Assistance					1.75	1.75		313,523
20) Forest Resource Mgn. Program					2.25	2.75		596,439
21) Best Mgn. Practices Audit							10,000	10,000
22) HB 731 - Streamside Mgn. Zones					1.25	1.25	89,481	89,481
Total	22.77	29.93	$1,566,777	$3,059,852	24.02	30.68	$1,274,049	$3,674,347

* Included in DNRC's budget in the Executive Budget.
** Included in the revised Executive Budget (changes not reflected in the agency main table under the Executive column).

These budget modifications are described in the program narratives.

DEPARTMENT OF STATE LANDS

Funding

The Executive Budget proposed that $7.5 million of revenue earned from state school trust lands fund the agency's budget. Since questions were raised about the constitutionality of this funding method, the department did not submit the necessary legislation and the executive proposal was revised to request general fund support for these costs. The table above and the tables in the affected programs are based on the revised Executive Budget request.

The 14.1 percent increase in general fund is the result of budget modifications and higher personal services costs. The 103.0 percent increase in state special revenue is due to biennial appropriations which are budgeted in fiscal 1992, budget modifications, and general program increases as a result of using fiscal 1991 appropriations as the budget base instead of fiscal 1990 actual expenditures (which are lower). Proprietary funds reflect the increased appropriation level in the Aviation program within Central Management.

CENTRAL MANAGEMENT PROGRAM

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	32.50	34.22	35.22	1.00	34.22	35.22	1.00	2.72
Personal Services	946,901	1,053,650	1,029,108	24,542-	1,053,119	1,028,585	24,534-	8.68%
Operating Expenses	598,658	1,142,668	1,001,797	140,871-	822,776	657,051	165,725-	67.34%
Equipment	34,855	167,724	21,000	146,724-	21,000	21,000	0	-39.75%
Grants	265,000	265,000	265,000	0	265,000	265,000	0	.00%
Total Costs	$1,845,414	$2,629,042	$2,316,905	$312,137-	$2,161,895	$1,971,636	$190,259-	25.55%
Fund Sources								
General Fund	1,382,592	1,961,770	1,876,335	85,435-	1,511,078	1,536,127	25,049	35.71%
State Revenue Fund	139,984	430,252	139,892	290,360-	411,155	137,302	273,853-	-.07%
Federal Revenue Fund	143,675	45,689	112,654	66,965	50,672	112,596	61,924	-21.59%
Proprietary Fund	179,163	191,331	188,024	3,307-	188,990	185,611	3,379-	4.95%
Total Funds	$1,845,414	$2,629,042	$2,316,905	$312,137-	$2,161,895	$1,971,636	$190,259-	25.55%

Program Description

The Central Management program provides administrative and operational support services to all programs within the department. Support services include fiscal affairs, data processing, personnel, legal, reception, mail, and aviation. Responsibilities include trust revenue collection and distribution; oil, gas, and coal royalty audits; and maintenance of ownership records for trust and non-trust state-owned land.

Language

"The $300,000 general fund appropriation in [Trust Land Access] is to be used for an economic study ($250,000) of the surface uses of state lands, with emphasis on recreational uses, and for startup costs ($50,000) of the recreational access program mandated in House Bill No. 778. The study of recreational uses must be performed by an economist with experience in analysis of the economic value of recreation."

"The department shall conduct a study of the options and methods available for allocating administrative costs to the various state special revenue funds managed by the agency. The department shall present the findings of its study to the Legislative Finance Committee by July 1, 1992, along with its recommendation, affected accounts, and any required statute changes".

CENTRAL MANAGEMENT PROGRAM

Budget

Personal services increase 8.7 percent and 2.72 FTE due to: 1) vacancy savings in fiscal 1990; 2) continuation of the fiscal 1991 pay plan increase in the 1993 biennium; 3) transfer of 0.72 FTE from the Forestry program; and 4) budget modifications which add 2.0 FTE at a cost of $43,847 in fiscal 1992 and $43,746 in fiscal 1993. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of $42,879 in fiscal 1992 and $42,858 in fiscal 1993.

The 67.3 percent increase in operating expenses is due to the net effect of: 1) an increase of $397,861 in fiscal 1992 and $97,861 in fiscal 1993 from budget modifications; 2) a decrease of $38,047 in fiscal 1992 and $40,637 in fiscal 1993 for the trust land management system; and 3) budgeting at fiscal 1991 appropriated levels which adds $35,910 in fiscal 1992 and $1,169 in fiscal 1993. Audit costs of $41,038 are contained in fiscal 1992 as a biennial appropriation, which represents an increase of $7,415 from fiscal 1990.

Equipment, which was approved at the agency's request, includes five computers and a helicopter mover in fiscal 1992 and seven computers in fiscal 1993.

Grants are state land equalization payments to 18 counties where state land is in excess of 6 percent of the county area. Appropriations for foregone property tax revenue have remained at $265,000 per year since 1986.

Budget Modifications

	Executive				Legislative			
Modification Type	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93
1) Trust Land Access			$300,000	$300,000			$300,000	$300,000
2) Helena Office Support Staff	2.0	2.0	34,043	100,043	2.0	2.0	32,801	96,393
3) Royalty Auditor Expense				20,938				20,938
4) Revised Lease for Office Space	—	—	165,984	165,984	—	—	165,984	165,984
Total	2.0	2.0	$500,027	$586,965	2.0	2.0	$498,785	$583,315

1) The Trust Land Access budget modification provides funding for the development of an economic study of the surface uses of state lands, with emphasis on recreational uses. In addition, it provides startup costs for implementation of House Bill No. 778 which allows recreational use of state lands by the public.

CENTRAL MANAGEMENT PROGRAM

2) The Helena Office Support Staff budget modification provides support in the area of computer maintenance, training, and assistance.

3) The Royalty Auditor Expense budget modification continues funding the travel expenses of a royalty auditor located in the Department of Revenue. The Department of Revenue pays the salary of this auditor and the Department of State Lands pays the operational expenses. The auditor travels to larger cities in the United States to examine taxpayers' accounting records to determine whether appropriate royalties on the gross value of gas, oil, and coal extracted from school trust lands have been collected.

4) The Revised Lease for Office Space funds the rental of 10,800 square feet of additional office space within the same building currently occupied by the department's central offices.

Funding

The program is funded with general fund, resource development funds, reclamation and development funds, federal indirect grant reimbursements, and a proprietary fund. The resource development fund, which receives up to 2.5 percent of the income generated by state trust lands, finances $213,602 for the biennium of program expenses including the trust land management system, the $10,500 yearly travel cost of the oil and gas royalty auditor, and other program costs. The reclamation and development account funds are used to finance $31,796 per year of the Helena Office Support Staff modification. The Aviation program's direct costs (such as fuel and maintenance) are financed from the proprietary fund while its fixed costs are paid with general fund. The 35.7 percent increase in general fund is due to: 1) higher personal services costs, which are funded primarily with general fund; and 2) budget modifications which add $399,443 in fiscal 1993 and $99,342 in fiscal 1993.

RECLAMATION PROGRAM

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	42.00	.00	51.62	51.62	.00	54.00	54.00	9.62
Personal Services	979,296	0	1,541,460	1,541,460	0	1,602,108	1,602,108	57.40%
Operating Expenses	3,330,865	0	6,650,474	6,650,474	0	3,360,114	3,360,114	99.66%
Equipment	146,796	0	171,732	171,732	0	83,857	83,857	16.99%
Capital Outlay	5,418,821	0	5,000,000	5,000,000	0	5,000,000	5,000,000	-7.73%
Total Costs	$9,875,778	$0	$13,363,666	$13,363,666	$0	$10,046,079	$10,046,079	35.32%
Fund Sources								
General Fund	270,557	0	299,465	299,465	0	296,430	296,430	10.68%
State Revenue Fund	1,020,350	0	4,347,050	4,347,050	0	1,025,565	1,025,565	326.04%
Federal Revenue Fund	8,584,871	0	8,717,151	8,717,151	0	8,724,084	8,724,084	1.54%
Total Funds	$9,875,778	$0	$13,363,666	$13,363,666	$0	$10,046,079	$10,046,079	35.32%

Program Description

The Reclamation program is responsible for the administration and enforcement of all Montana's mined land reclamation statutes and administrative rules. This involves the regulation of mining on all lands within the state, regardless of ownership, and the reclamation of active and abandoned mine sites. Specifically, the division and its four bureaus administer: the Montana Strip and Underground Mine Reclamation Act; the Montana Open-Cut Mining Act; the Montana Strip and Underground Mine Siting Act; statutes regulating hard-rock mining (Montana Metal Mine Reclamation Act); and the regulatory program of the Federal Surface Mining Control and Reclamation Act.

Language

"[Hard Rock Increase] contains $100,000 per year for the Hard Rock Increase modification. This appropriation is contingent on enactment of House Bill 448." House Bill 448 has been enacted.

"[SB 253 - Opencut Reclamation] grants spending authority to implement Senate Bill No. 253 and is contingent on passage and approval of Senate Bill No. 253." Senate Bill 253 has been enacted.

RECLAMATION PROGRAM

Budget

This program was moved to the Department of Natural Resources and Conservation (Department of Natural Resources and Environment) under the Governor's budget's proposed reorganization. Therefore, the Executive Budget reflects no budget within the Department of State Lands for this program. The proposed reorganization legislation (House Bill 866) was not enacted.

The increase in FTE is due to three budget modifications which add 9.62 FTE in fiscal 1992 and 12.0 FTE in fiscal 1993. Personal services increase 57.4 percent due to: 1) vacancy savings in fiscal 1990; 2) the fiscal 1991 pay plan increase which continues in the 1993 biennium; and 3) budget modifications which add $283,360 in fiscal 1992 and $345,089 in fiscal 1993. The legislature approved funding of pay plan exceptions for environmental specialists, civil engineers and hydrologists totaling $57,623 in fiscal 1992 and $58,157 in fiscal 1993. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of $62,984 in fiscal 1992 and $65,506 in fiscal 1993.

The 99.7 percent increase in operating expenses is the net result of: 1) a decrease of $90,000 from a one-time-only federal grant; 2) a $2,504,507 increase in the Environmental Analysis program, which was authorized as a biennial appropriation; 3) a $98,258 increase in the Open Cut Bureau's bond forfeiture expenditures, which was authorized as a biennial appropriation; 4) a $51,873 increase in the Hard Rock Bureau's bond forfeiture expenditures, which was authorized as a biennial appropriation; 5) a $97,585 increase in the Hard Rock Bureau's reclamation expenditures, which was authorized as a biennial appropriation; 6) a $431,858 increase in consulting within the Abandoned Mines Bureau; 7) a $36,013 increase in laboratory testing within the Abandoned Mines Bureau; 8) budget modifications which add $174,606; and 9) a decrease of $1,215 in other expenses. The fiscal 1993 operating expenses increase is the net result of: 1) a $411,858 increase in consulting services within the Abandoned Mines Bureau; 2) a $56,013 increase in laboratory testing within the Abandoned Mines Bureau; 3) a decrease of $90,000 for fiscal 1990 expenditures from a one-time-only federal grant; 4) a decrease of $531,653 in fiscal 1990 biennial appropriation expenditures; 5) $182,083 in budget modifications; and 6) an increase of $948 in other expenses.

Equipment, which reflects the agency's request, includes 17 computers, seven vehicles, a laser printer, and office equipment for the biennium. Budget modifications add $90,375 in fiscal 1992 and $2,500 in fiscal 1993.

Capital outlay expenditures are for construction activity in reclaiming abandoned mine sites. The Abandoned Mines Bureau has two primary activities: 1) contracting with consultants to identify, design, and provide construction management and inspection on abandoned mine projects; and 2) contracting with construction firms to provide the actual construction for the projects. Capital outlay finances the latter.

RECLAMATION PROGRAM

Budget Modifications

Modification Type	Executive FTE FY92	Executive FTE FY93	Executive General Fund 92-93	Executive Total 92-93	Legislative FTE FY92	Legislative FTE FY93	Legislative General Fund 92-93	Legislative Total 92-93
1) Coal Bureau Workload*	3.58	5.00		$298,499	3.58	5.00		$ 300,042
2) Abandoned Mine Rent**				35,568				35,568
3) Coal and Uranium Rent**				35,568				35,568
4) Hard Rock Bureau Workload*	3.04	4.00		248,357	3.04	4.00		240,356
5) Hard Rock Increase**				200,000				200,000
6) Environmental Compliance*	3.00	3.00		220,358	3.00	3.00		235,479
7) SB 253 - Opencut Reclamation								31,000
Total	9.62	12.00	$0	$1,038,350	9.62	12.00	$0	$1,078,013

* Included in DNRC's budget in the Executive Budget.
** Included in the revised Executive Budget (changes not reflected in the program table under the Executive column).

1) The Coal Bureau Workload modification provides the authority for additional positions to meet the demands of existing workload and an expected workload increase in the 1993 biennium. These positions would allow the Coal and Uranium Bureau to complete reviews of permit applications and application amendments, process bond release applications, and evaluate environmental baseline and monitoring data.

2) & 3) The Abandoned Mine Rent and Coal and Uranium Rent modifications fund the rental of 4,320 square feet of office space within the same building currently occupied by the Department of State Lands. Additional rental authority for 10,080 square feet is contained in a budget modification within the Central Management program.

4) The Hard Rock Bureau Workload modification provides the authority for additional positions to meet the demands of existing workload and an expected workload increase in the 1993 biennium. These positions would allow the Hard Rock Bureau to review applications for new mines, review application amendments, and monitor mining activity at permitted mines.

5) The Hard Rock Increase modification provides additional contracting authority to assist in permitting analysis, preparation of environmental assessments, expert testimony, and technical consultation. This modification was made contingent on House Bill 448, which was enacted.

RECLAMATION PROGRAM

6) The Environmental Compliance modification funds additional personnel to manage the preparation of environmental assessments and environmental impact statements and to provide department-wide guidance on the applicability, preparation, and distribution of these documents.

7) The SB 253 - Opencut Reclamation modification provides spending authority for fees and penalties deposited into a newly created opencut mining and reclamation state special revenue account for reclamation, revegetation, research, rehabilitation of water, and administration of opencut mining activities. The money had previously been deposited into the general fund.

Funding

The Reclamation program contains six programs which are financed with general fund, state special revenue, and federal funds. The following table details the funding of each of these programs.

Table 1
Reclamation Program Funding

Fiscal 1992	General Fund	Reclamation Development	Hardrock Fund	Opencut Fund	Bond Forfeitures	DSL EIS	Federal	Total Funds
Administration	$2,364	$59,853	$0	$0		$0	$33,830	$96,047
Opencut	68,196	69,625	0	15,500	98,258	0	0	251,579
Coal and Uranium	0	272,000	0	0	0	0	670,685	942,685
Abandoned Mine Reclamation	0	0	0	0	0	0	8,012,636	8,012,636
Hard Rock	228,905	406,595	97,965	0	97,965	100,000	0	931,430
Environmental Analysis	0	0	0	0	0	3,129,289	0	3,129,289
Total Fiscal 1992 Funding	$299,465	$808,073	$97,965	$15,500	$196,223	$3,229,289	$8,717,151	$13,363,666
Fiscal 1993								
Administration	$2,310	$60,022	$0	$0	$0	$0	$33,800	$96,132
Opencut	66,756	68,967	0	15,500	0	0	0	151,223
Coal and Uranium	0	275,942	0	0	0	0	678,304	954,246
Abandoned Mine Reclamation	0	0	0	0	0	0	8,011,980	8,011,980
Hard Rock	227,364	398,944	0	0	0	100,000	0	726,308
Environmental Analysis	0	0	0	0	0	106,190	0	106,190
Total Fiscal 1993 Funding	$296,430	$803,875	$0	$15,500	$0	$206,190	$8,724,084	$10,046,079

RECLAMATION PROGRAM

General fund finances one-third of the Hard Rock Bureau and 29 percent of the Open Cut Bureau. State special revenue includes mining fees, fines, penalties, bond forfeitures, reclamation and development account funds, and environmental impact statement (EIS) fees. As required by the Montana Environmental Policy Act, environmental impact statement fees are collected from industries who propose major mining activities. The statements are prepared by independent contractors retained by the department. The reclamation and development account funds are used to finance $808,073 in fiscal 1992 and $803,875 in fiscal 1993 of the program's expenditures. Federal funds are received from the U.S. Department of Interior primarily for abandoned mine reclamation and regulation of coal mines. The ratio of state funding to federal funding in the Coal and Uranium Bureau is based on the type of ownership on permitted acreage. In the 1993 biennium, 70 percent of the permitted acres are expected to be federal and 30 percent state. The Abandoned Mines Bureau is entirely federally funded through a federal tax on Montana's coal production of which up to 50 percent is returned to the state through a grant application process.

LAND ADMINISTRATION PROGRAM

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	28.12	34.87	30.87	4.00-	38.37	33.37	5.00-	2.75
Personal Services	624,974	934,441	817,562	116,879-	1,015,994	871,975	144,019-	30.82%
Operating Expenses	152,037	202,954	236,229	33,275	233,336	176,443	56,893-	55.38%
Equipment	77,913	99,508	60,600	38,908-	21,400	20,600	800-	-22.22%
Capital Outlay	1,332	5,000	5,000	0	5,000	5,000	0	275.38%
Total Costs	$856,256	$1,241,903	$1,119,391	$122,512-	$1,275,730	$1,074,018	$201,712-	30.73%
Fund Sources								
General Fund	621,851	982,739	793,751	188,988-	1,016,377	818,199	198,178-	27.64%
State Revenue Fund	234,405	259,164	325,640	66,476	259,353	255,819	3,534-	38.92%
Total Funds	$856,256	$1,241,903	$1,119,391	$122,512-	$1,275,730	$1,074,018	$201,712-	30.73%

Program Description

The Land Administration program is responsible for leasing the surface and mineral resources for the benefit of Montana's public schools and other endowed institutions. This program oversees the appraisal and reclassification of all state lands to obtain the greatest revenue for the trust funds commensurate with the preservation of the resource. This program includes the Surface Management Bureau, the Minerals Management Bureau, and the Resource Development Bureau. Beginning in the 1993 biennium, the Resource Development Program's duties and responsibilities will be in this program.

Language

"The legislature recommends that the Board of Land Commissioners amend its cabinsite rules to require lessees who apply for sale of their cabin sites to reimburse the department for all expenses it incurs in processing the sale applications."

Budget

Personal services increase 2.75 FTE and 30.8 percent due to: 1) vacancy savings in fiscal 1990; 2) continuation of the 1991 pay plan increase into the 1993 biennium; 3) an additional 0.5 FTE in program expansions authorized by the 1989 legislature (House Bill 133); and 4) budget modifications which add 2.25 FTE and $48,684 in fiscal 1992 and 4.75 FTE and $104,202 in fiscal 1993. The legislature approved funding of pay plan exceptions for civil engineers and hydrologists totaling $11,056 in fiscal 1992 and $11,029 in fiscal

LAND ADMINISTRATION PROGRAM

1993. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of $34,064 in fiscal 1992 and $36,333 in fiscal 1993.

The 55.4 percent increase in operating expenses is due to: 1) budget modifications which add $70,445 in fiscal 1992 and $10,221 in fiscal 1993; and 2) budgeting expenses at fiscal 1991 appropriated levels which add $13,747 in fiscal 1992 and $14,185 in fiscal 1993.

Equipment, which reflects the agency's request, includes four computers, four vehicles, software, and office equipment. Budget modifications add $41,500 in fiscal 1992 and $1,500 in fiscal 1993.

Budget Modifications

	Executive				Legislative			
Modification Type	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93
1) Trust Land Management	4.25	6.75	$361,637	$361,637	2.25	4.75	$206,552	$206,552
2) Cabinsite Sales*	—	—	—	70,000	—	—	—	70,000
Total	4.25	6.75	$361,637	$431,637	2.25	4.75	$206,552	$276,552

*Included in the revised Executive Budget (changes not reflected in the program table under the Executive column).

1) The Trust Land Management modification funds additional positions to assist with lease stipulations and follow-up field reviews, illegal land use investigations, and resource planning on grazing, agricultural, mineral, and special use lands. In addition, the department has expanded its investigations of land exchanges, land sales, land use licenses, right-of-way easements, and other land-related issues on trust lands.

2) The Cabinsite Sales modification funds expenses associated with the sale of cabin or home sites such as appraisals, title searches, surveys, travel and contract expenses. Revenue is derived from a fee charged to the applicant.

Funding

The administration portion of this program is funded entirely with general fund, while the resource development portion is funded from the resource development account. By statute, the State Land Board can allocate up to 2.5 percent of income generated by state trust lands to this account. The 27.6 percent increase in general fund is due to the budget modifications and funding of personal services costs, which are primarily funded with general fund.

FORESTRY DIVISION

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	226.30	241.00	242.00	1.00	242.28	243.78	1.50	15.70
Personal Services	5,486,125	6,490,413	6,216,601	273,812-	6,520,972	6,257,655	263,317-	13.31%
Operating Expenses	2,512,550	2,743,656	3,010,389	266,733	2,761,317	2,966,333	205,016	19.81%
Equipment	619,698	729,015	753,515	24,500	679,013	650,013	29,000-	21.59%
Transfers	0	100,000	100,000	0	100,000	100,000	0	.00%
Total Costs	$8,618,373	$10,063,084	$10,080,505	$17,421	$10,061,302	$9,974,001	$87,301-	16.97%
Fund Sources								
General Fund	5,592,033	6,254,593	6,009,723	244,870-	6,252,433	5,980,848	271,585-	7.47%
State Revenue Fund	2,498,611	3,236,831	3,092,044	144,787-	3,236,854	3,091,658	145,196-	23.75%
Federal Revenue Fund	527,729	542,614	978,738	436,124	542,866	901,495	358,629	85.46%
Proprietary Fund	0	29,046	0	29,046-	29,149	0	29,149-	.00%
Total Funds	$8,618,373	$10,063,084	$10,080,505	$17,421	$10,061,302	$9,974,001	$87,301-	16.97%

Program Description

The Forestry Program manages state-owned forest lands held in trust for the support of education, protects the state's forest and non-forest watershed lands from wildfire, and provides technical forestry assistance to private landowners, businesses, and communities. The program is administered by the Forestry Division in Missoula which provides six main services: **Fire Management** of state and privately-owned forest and watershed lands. **Management** of state forest land. **Brush Disposal** on state forest land following Forest Management Program activities. **Timber Stand Improvement** of the composition, condition, or growth of trees on state forest lands. **Tree Nursery** for conservation plantings on state and private lands for shelterbelts, windbreaks, wildlife habitat improvement, reclamation, and reforestation. **Administration of the Fire Hazard Reduction and Management (Slash) Law** to assure that the fire hazard created by logging and other forest management operations on private forest land is adequately reduced, or that additional protection is provided until the fire hazard is reduced to an acceptable level.

Language

"[Forestry] contains $24,400 per year of general fund to provide training and materials on best management practices to loggers and forest landowners. If federal funds are received for this purpose, general fund will be reduced by a like amount."

FORESTRY DIVISION

"[Urban Forestry Assistance] contains $173,100 per year of federal funds for the Urban Forestry Assistance Program. The department shall emphasize replacing dead, diseased, and infected trees in Montana communities. Replacement trees must be used that are adapted to and will survive in Montana."

"[Best Management Practices Audit] contains $10,000 in fiscal 1992 as a biennial appropriation to coordinate and conduct, in consultation with the Environmental Quality Council, audits of the application and effectiveness of voluntary best management practices for timber sales."

"[HB 731 - Streamside Management Zones] is contingent on passage and approval of House Bill No. 731." House Bill 731 has been enacted.

"Federal fire reimbursement funds are those funds received for expenses incurred from loaning department personnel to federal agencies to assist in fire suppression activities. Only those federal funds received as reimbursement of expenses credited against the department's state forestry operational budget are considered federal fire reimbursement funds. All other federal funds received must be deposited into the general fund. The department shall report federal fire reimbursement expenditures on state accounting records, and the records must be separate from current level operations."

Budget

In House Bill 866, the executive proposed the transfer of the Fire Services Training School to the Forestry program. Therefore, the Executive Budget includes 5.0 FTE, $148,087 of personal services in fiscal 1992 and $148,700 in fiscal 1993, $56,565 of operating expenses in fiscal 1992 and $56,837 in fiscal 1993, and $3,000 per year for equipment due to this proposed transfer. House Bill 866 was not enacted.

The 15.70 increase in FTE is due to: 1) 7.27 additional FTE authorized by the 1989 legislature in program expansions for fiscal 1991 which are also included in the 1993 biennium; 2) 10.15 FTE in fiscal 1992 and 11.93 FTE in fiscal 1993 from budget modifications; 3) elimination of 1.0 FTE in the Fire program which had been vacant all of fiscal 1990 for a savings of $26,817 in fiscal 1992 and $26,785 in fiscal 1993; and 4) transfer of 0.72 FTE to the Central Management program.

Personal services increase 13.3 percent because: 1) of fiscal 1990 vacancy savings; 2) the fiscal 1991 pay plan increase is continued in the 1993 biennium; and 3) budget modifications add $239,569 in fiscal 1992 and $281,953 in fiscal 1993. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of $257,677 in fiscal 1992 and $259,392 in fiscal 1993.

Operating expenses increase 19.8 percent due to: 1) budget modifications which add $418,938 in fiscal 1992 and $378,105 in fiscal 1993; and 2) use of fiscal 1991 appropriations as the budget base which adds $78,901 in fiscal 1992 and $75,678 in fiscal 1993.

FORESTRY DIVISION

Equipment, which reflects the agency's request, includes: 34 vehicles, 55 radios, four computers, pumps, one metal building, three photocopiers, tanks, chainsaws, and various other fire fighting tools, office, and shop equipment. Budget modifications add $260,702 in fiscal 1992 and $157,200 in fiscal 1993. The forestry capital equipment modification would allow the purchase of 9 vehicles in fiscal 1992 and 7 in fiscal 1993.

Transfers of $100,000 per year are spending authority for federal funds received as reimbursement for state funds spent assisting federal agencies in fighting fires under jurisdiction of the federal government. Reimbursements for expenditures against the department's state forestry operational budget are the only funds which can be allocated to the federal fire reimbursement account. All other federal reimbursements for forest fire suppression are to be deposited in the general fund.

Budget Modifications

	Executive				Legislative			
Modification Type	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93
1) State/County Cooperative Fire	0.50	1.08	$86,723	$130,080	0.50	1.08	$85,710	$128,560
2) Slash Increase*	0.75	0.75		64,000	0.75	0.75		62,769
3) Block 5 and Philipsburg Fire	2.65	3.35	139,194	208,790	2.65	3.35	135,883	203,823
4) Best Management Practices	1.00	1.00	12,200	48,800	1.00	1.00	46,872	46,872
5) Forestry Capital Equipment			276,766	361,000			200,766	285,000
6) Urban Forestry Assistance*	1.75	1.75		313,523	1.75	1.75		313,523
7) Forest Resource Mgn. Program*	2.25	2.75		596,439	2.25	2.75		596,439
8) Best Mgn. Practices Audit							10,000	10,000
9) HB 731 - Streamside Mgn. Zones					1.25	1.25	89,481	89,481
Total	8.90	10.68	$514,883	$1,722,632	10.15	11.93	$568,712	$1,736,467

* Included in the revised Executive Budget (changes not reflected in the program table under the Executive column).

1) The State/County Cooperative Fire modification expands the State/County Cooperative Fire program to include Lake, Lincoln, and Sanders counties in cooperative fire control agreements with the state. From 1967 to date, the department has entered into cooperative fire protection agreements with 49 counties. The state/county agreements specify the general duties and responsibilities of each entity in fire protection and cooperation. The state provides wildland fire training and equipment to the counties for unprotected areas. The county, state, and federal agencies provide mutual aid on an as-needed basis for suppression.

FORESTRY DIVISION

2) The Slash Increase modification provides the spending authority for personnel and equipment to handle an increasing workload in administering the state's hazard reduction and timber slash and debris statutes. Fees of $25 for each hazard reduction agreement and $0.60 per 1,000 board feet sold are collected for use by the department. As workload increases, additional funds have become available and spending authority is required to fulfill the state's responsibilities.

3) The Block 5 and Philipsburg Fire modification provides the necessary resources to assume full fire protection responsibilities for additional state and private lands in two main categories: 1) state and private forests acreage currently contracted with the U.S. Forest Service for fire protection; and 2) the new Philipsburg Forest Fire Protection District. The department currently contracts with the U.S. Forest Service for fire protection on blocks of state and private land. In exchange, the department provides protection on some federal land. There are currently 58,000 more state and private acres protected by the U.S. Forest Service than federal acres protected by the department. This budget modification allows the department to assume this final block of wildfire protection acreage which will end this acreage imbalance. Since 1984, the legislature has approved the transfer of four blocks of fire protection responsibility by the department. The majority of the land in this final transfer involves federal land in the Dillon area. This modification also funds the creation of the Philipsburg Forest Fire Protection District, consisting of 120,000 acres of private and state land now in the Anaconda Protection Unit.

4) The Best Management Practices modification adds additional personnel to handle an accelerating caseload in the Forest Practices program. House Bill 678 (1989 legislative session) implemented this program which helps loggers and forest landowners avoid impacts on water quality by using best management practices (BMP). DSL foresters review harvest plans, provide BMP information, do pre-harvest field consultations on priority areas, and re-visit a limited number of sites after harvest to rate BMP application and effectiveness.

5) The Forestry Capital Equipment funds new vehicles. In recognition of historically insufficient funding replacement of equipment, the 1989 appropriations subcommittee asked the department to prepare a vehicle replacement schedule for submission to the 1991 legislature. Replacement schedules for seven classes of vehicles were developed based on either age or mileage. This modification represents less than 40 percent of the total amount for the first biennium to phase in the full biennial replacement schedule of $721,826. Such a vehicle replacement schedule would allow the department to plan for systematic replacement of vehicles to reduce the average age of its 282 vehicle fleet.

6) The Urban Forestry Assistance modification which implements President Bush's "America the Beautiful" proposal in Montana, allows the department to provide forestry assistance to communities. The legislature stipulated that emphasis should be on replacing dead, diseased and infected trees in Montana's communities. Funding is federal revenue.

7) The Forestry Resource Management Program modification allows the department to accomplish four tasks: a) increase its technical forestry assistance to non-industrial private landowners; b) promote active management and protection of all forest resources such as timber, wildlife, soil, water and recreation; c) pay travel expenses of member state foresters who would attend Council of Western State Foresters committee meetings; and d) produce a watershed cumulative effects pilot model and a streamside management guidebook. Funding is federal revenue.

FORESTRY DIVISION

8) The Best Management Practices Audit modification provides general fund to conduct audits, in consultation with the Environmental Quality Council, of the application and effectiveness of voluntary best management practices for timber sales.

9) The HB 731 - Streamside Management Zones modification provides staff and funding to develop rules implementing forest practices streamside management standards and to inspect and conduct onsite consultations of federal, state or private land to review harvest plans and watershed conditions.

Funding

Funding increases in this program are the result of budget modifications and the use of fiscal 1991 appropriations as the budget base, which is higher than fiscal 1990 actual funding levels. The forestry program contains seven programs which are funded with general fund, state special revenue, and federal funds. The following table details funding for each of these programs.

FORESTRY DIVISION

Table 1
Forestry Division Funding

Fiscal 1992	General Fund	State Special	Landowner Assessment	Federal	Total Funds
Fire *	$2,646,875	$0	$1,500,366	$343,841	$4,491,082
Forest Management	1,855,794	14,481	0	513,504	2,383,779
Brush Removal	0	566,327	0	0	566,327
Timber Stand Improvements	0	617,792	0	7,955	625,747
Nursery	134,196	194,988	0	0	329,184
Private Slash Removal	101,360	198,090	0	0	299,450
Other Services	1,271,498	0	0	113,438	1,384,936
Total Fiscal 1992 Funding	$6,009,723	$1,591,678	$1,500,366	$978,738	$10,080,505
Fiscal 1993					
Fire *	$2,647,160	$0	$1,500,352	$343,846	$4,491,358
Forest Management	1,829,503	14,480	0	436,000	2,279,983
Brush Removal	0	566,325	0	0	566,325
Timber Stand Improvements	0	617,786	0	7,955	625,741
Nursery	133,929	195,028	0	0	328,957
Private Slash Removal	101,640	197,687	0	0	299,327
Other Services	1,268,616	0	0	113,694	1,382,310
Total Fiscal 1993 Funding	$5,980,848	$1,591,306	$1,500,352	$901,495	$9,974,001

* Contains the entire amount of the Forestry Capital Equipment modification which may be allocated to other programs.

State special revenues, generated from the sale of timber on state land, are used to entirely finance brush removal program and most of the timber stand improvements program. The price at which the state sells timber includes $11 per thousand board feet for each of these programs. Landowner assessments are taxes paid by private forest landowners for forest fire protection. With the enactment of Senate Bill 165, this landowner assessment is a minimum of not more than $30 for each landowner and not more than an additional $0.20 per acre in excess of 20 acres. The department is required by statute to collect up to one-third of the fire protection costs from private landowners. Other state special revenues include the sale of nursery stock and slash removal assessments on private

landowners who cut timber (see slash increase modification above). Federal funds finance portions of the Timber Stands Improvement, Forest Management, and Fire programs. Included in federal funds is $100,000 authority per year to spend federal fire reimbursements.

DEPARTMENT OF LIVESTOCK

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	116.71	123.71	119.71	4.00-	121.71	117.71	4.00-	3.00
Personal Services	3,223,684	3,586,949	3,348,963	237,986-	3,549,496	3,313,216	236,280-	3.89%
Operating Expenses	1,077,615	1,450,332	1,411,851	38,481-	1,279,825	1,220,060	59,765-	31.02%
Equipment	187,884	144,989	155,489	10,500	147,241	147,241	0	-17.24%
Total Costs	$4,489,183	$5,182,270	$4,916,303	$265,967-	$4,976,562	$4,680,517	$296,045-	9.51%
Fund Sources								
General Fund	756,218	914,931	777,673	137,258-	912,855	772,882	139,973-	2.84%
State Revenue Fund	3,479,411	3,898,809	3,864,032	34,777-	3,697,394	3,632,722	64,672-	11.05%
Federal Revenue Fund	253,554	368,530	274,598	93,932-	366,313	274,913	91,400-	8.30%
Total Funds	$4,489,183	$5,182,270	$4,916,303	$265,967-	$4,976,562	$4,680,517	$296,045-	9.51%

Agency Description

The Department of Livestock is responsible for the control and eradication of animal diseases, preventing the transmission of animal disease to humans, and protecting the livestock industry from theft and predatory animals. The department, which is provided for in Section 2-15-3101, MCA, consists of the Board of Livestock and its appointed executive secretary; the Livestock Crimestopper's Commission; the Pork Research and Marketing Committee; and the Beef Research and Marketing Committee. The department is organized into five divisions: Animal Health, Centralized Services, Brands-Enforcement, Diagnostic Laboratory, and Meat, Milk, and Egg Inspection. The Board of Livestock, which is statutorily the head of the Department of Livestock, consists of seven members appointed by the Governor and confirmed by the Senate to serve six-year terms.

Budget

The increase of 3.0 FTE reflects the addition of: 1) 1.0 FTE in the Inspection and Control Program; and 2) 2.0 FTE authorized for fiscal 1992 to complete the 10-year brand rerecord process. The 3.9 percent increase in personal services reflects the increased FTE and the continuation of the fiscal 1991 pay plan increase in the 1993 biennium. The legislature implemented a 4 percent across-the-board reduction in agency funding for personal services of $143,363 in fiscal 1992 and $141,865 in fiscal 1993. The pay plan increase for fiscal 1992 and fiscal 1993 (House Bill 509) is not included in the table above or in the program tables. In Volume I of this report in the "Pay Plan" section is a description of the pay plan increase and a table showing allocations to each agency.

DEPARTMENT OF LIVESTOCK

Because the legislature used fiscal 1991 appropriations as the base for this agency, the department's operating expenses increase compared to fiscal 1990. In addition, the legislature approved two budget modifications. Brand rerecord operating expenses are not continued in fiscal 1993.

Budget Modifications

	Executive				Legislative			
Modification Type	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93
1) Livestock Workload Increase	1.0	1.0		$110,058	1.0	1.0		$107,655
2) Section 8 *				40,000				40,000
Total	1.0	1.0	$0	$150,058	1.0	1.0	$0	$147,655

* Included in the revised Executive Budget (not included in the agency table under the Executive column).

These budget modifications are described in the program narratives.

Funding

The 2.8 percent increase in general fund reflects current level increases in the Centralized Services, Diagnostic Laboratory, and the Meat and Poultry Inspection programs. Transfer of 1.0 FTE from the Milk and Egg program to the Inspection and Control program results in replacing $60,202 general fund with state special revenue for the biennium.

CENTRALIZED SERVICES PROGRAM

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	9.00	9.00	9.00	.00	9.00	9.00	.00	.00
Personal Services	294,940	312,659	300,194	12,465-	312,377	299,933	12,444-	1.78%
Operating Expenses	153,627	159,239	169,756	10,517	160,556	150,039	10,517-	10.50%
Equipment	5,024	4,500	4,500	0	3,500	3,500	0	-10.43%
Total Costs	$453,591	$476,398	$474,450	$1,948-	$476,433	$453,472	$22,961-	4.60%
Fund Sources								
General Fund	81,245	86,911	86,693	218-	86,925	82,714	4,211-	6.71%
State Revenue Fund	354,887	370,797	369,587	1,210-	370,831	352,623	18,208-	4.14%
Federal Revenue Fund	17,459	18,690	18,170	520-	18,677	18,135	542-	4.07%
Total Funds	$453,591	$476,398	$474,450	$1,948-	$476,433	$453,472	$22,961-	4.60%

Program Description

The Centralized Services Division is responsible for the accounting, budgeting, payroll, personnel, legal services, purchasing, administrative, data processing, and general services functions of the department. The Pork Research and Marketing Committee, the Beef Research and Marketing Committee, and the Crimestoppers Commission are administratively attached to the Board of Livestock through this division. Agency legal services are provided to the department by the staff attorney in this division.

Budget

Personal services increase 1.8 percent due to vacancy savings in fiscal 1990, the continuation of the fiscal 1991 pay plan increase in fiscal 1992 and 1993, and the addition of $1,850 per year for Board of Livestock per diem. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of $12,508 in fiscal 1992 and $12,497 in fiscal 1993.

The 10.5 percent increase in operating expenses is from $4,500 per year for the lease of the Executive Secretary's vehicle. Using the fiscal 1991 appropriated level as a budget base instead of fiscal 1990 actual expenditures added $1,371 in fiscal 1992 and $2,171 in fiscal 1993. Audit costs of $20,519 are reflected in fiscal 1992 as a biennial appropriation.

Equipment includes two computers and office furniture.

CENTRALIZED SERVICES PROGRAM

Funding

This program is funded with general fund, state special revenue from the inspection and control fund and the animal health fund, and federal funds. The 1989 legislature allocated 19.0 percent of the program's costs (except the meat inspection accounting costs) to general fund and the remainder to state special funds. This funding is continued in the 1993 biennium. The meat inspection accounting costs are financed with federal funds. Allocation between the inspection and control and the animal health state special accounts is split evenly.

DIAGNOSTIC LABORATORY PROGRAM

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	18.00	18.00	18.00	.00	18.00	18.00	.00	.00
Personal Services	504,748	554,250	528,247	26,003-	554,210	528,211	25,999-	4.66%
Operating Expenses	209,012	215,870	215,870	0	215,530	215,530	0	3.28%
Equipment	24,023	24,045	24,045	0	24,500	24,500	0	.09%
Total Costs	$737,783	$794,165	$768,162	$26,003-	$794,240	$768,241	$25,999-	4.12%
Fund Sources								
General Fund	284,583	321,637	314,947	6,690-	321,667	314,978	6,689-	10.67%
State Revenue Fund	453,200	472,528	453,215	19,313-	472,573	453,263	19,310-	.00%
Total Funds	$737,783	$794,165	$768,162	$26,003-	$794,240	$768,241	$25,999-	4.12%

Program Description

The Diagnostic Laboratory Program provides laboratory diagnostic support for the Disease Control Program, Milk and Egg Program, regulatory officials and agencies, veterinarians, and livestock producers to protect, promote, and foster Montana's livestock industry. Through laboratory testing for zoonotic diseases and routine safety assurance tests of dairy products, this program assists in protecting the health of Montana's citizens. The program also provides laboratory testing services upon request to assist animal owners, veterinarians, and Department of Fish, Wildlife and Parks' personnel in protecting the health of Montana's companion animals and wildlife.

Budget

The 4.7 percent increase in personal services reflects vacancy savings which occurred in fiscal 1990 and the fiscal 1991 pay plan increase which is continued in the 1993 biennium. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of $22,010 in fiscal 1992 and $22,009 in fiscal 1993.

Operating expenses increase 3.3 percent as a result of legislative approval of fiscal 1991 appropriations as the base for operating expenses instead of fiscal 1990 actual expenditures.

Equipment includes an air conditioner, a tissue processor, an antibiotic testing system, pan balance, spectrophotometer, incubators, centrifuge, and a liquid nitrogen freezer.

DIAGNOSTIC LABORATORY PROGRAM

Funding

This program is funded with approximately 41.0 percent general fund and 59.0 percent animal health funds.

DISEASE CONTROL PROGRAM

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	10.50	10.50	10.50	.00	10.50	10.50	.00	.00
Personal Services	344,337	361,776	347,305	14,471-	361,633	347,168	14,465-	.86%
Operating Expenses	78,372	116,437	116,437	0	116,439	116,439	0	48.57%
Equipment	17,797	19,041	19,041	0	20,187	20,187	0	6.99%
Total Costs	$440,506	$497,254	$482,783	$14,471-	$498,259	$483,794	$14,465-	9.60%
Fund Sources								
State Revenue Fund	440,506	497,254	482,783	14,471-	498,259	483,794	14,465-	9.60%
Total Funds	$440,506	$497,254	$482,783	$14,471-	$498,259	$483,794	$14,465-	9.60%

Program Description

The Disease Control Program within the Animal Health Division protects Montana's livestock industry from disease loss by providing for the diagnosis, prevention, control, and eradication of animal diseases. The program cooperates with the Department of Health and Environmental Sciences to protect human health from animal diseases transmissible to humans. Sanitary standards are supervised for animal concentration points, such as auctions markets, and certain animal product processing facilities, such as rendering plants.

Budget

Personal services increase 0.9 percent due to vacancy savings in fiscal 1990 and the continuation of the fiscal 1991 pay plan into the 1993 biennium. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of $14,471 in fiscal 1992 and $14,465 in fiscal 1993.

The fiscal 1991 appropriated level was approved as the base for operating expenses, increasing the budget 48.6 percent above fiscal 1990 actual expenditures. Included in this increase is $35,000 per year to contract with local veterinarians. The department reduced its veterinarian staff from four to three in 1988 and will use this contract authority to respond to emergencies.

Funding

Funding for this program is entirely from the animal health fund.

MILK & EGG PROGRAM

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	6.00	5.75	4.75	1.00-	5.75	4.75	1.00-	-1.25
Personal Services	167,527	167,590	132,068	35,522-	167,617	131,937	35,680-	-21.17%
Operating Expenses	32,854	33,238	33,238	0	33,276	33,276	0	1.17%
Equipment	12,821	15,714	15,714	0	15,735	15,735	0	22.56%
Total Costs	$213,202	$216,542	$181,020	$35,522-	$216,628	$180,948	$35,680-	-15.10%
Fund Sources								
General Fund	183,201	186,542	150,313	36,229-	186,628	149,680	36,948-	-17.95%
Federal Revenue Fund	30,001	30,000	30,707	707	30,000	31,268	1,268	2.35%
Total Funds	$213,202	$216,542	$181,020	$35,522-	$216,628	$180,948	$35,680-	-15.10%

Program Description

The Milk and Egg Program functions within the Meat, Milk and Egg Inspection Division to ensure that eggs, milk, and milk products sold or manufactured in Montana are fit for human consumption. These functions are accomplished through licensing, sampling, laboratory testing, and product and site inspections, done in cooperation with other state and federal agencies. The program supervises the enforcement of state and federal law.

Budget

The 21.2 percent decrease in personal services and the decrease of 1.25 FTE results from the transfer of 0.25 FTE to the Meat Inspection program and the transfer of 1.0 FTE to the Inspection and Control program. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of $5,503 in fiscal 1992 and $5,497 in fiscal 1993.

Equipment includes the purchase of a vehicle each year in addition to office equipment.

Funding

Funding for the program is primarily general fund, with the federal government expected to contribute $27,000 each year for inspecting poultry products. The budget includes more than $27,000 of federal funds because at the end of fiscal 1990 there was an ending fund balance of $20,600 in the federal account which is available for expenditure during the 1993 biennium.

INSPECTION & CONTROL PROGRAM

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	59.21	62.21	63.21	1.00	60.21	61.21	1.00	4.00
Personal Services	1,564,439	1,691,681	1,653,767	37,914-	1,655,220	1,618,908	36,312-	5.71%
Operating Expenses	292,333	397,329	403,329	6,000	327,549	333,549	6,000	37.97%
Equipment	120,245	77,689	92,189	14,500	83,319	83,319	0	-23.33%
Total Costs	$1,977,017	$2,166,699	$2,149,285	$17,414-	$2,066,088	$2,035,776	$30,312-	8.71%
Fund Sources								
State Revenue Fund	1,977,017	2,166,699	2,149,285	17,414-	2,066,088	2,035,776	30,312-	8.71%
Total Funds	$1,977,017	$2,166,699	$2,149,285	$17,414-	$2,066,088	$2,035,776	$30,312-	8.71%

Program Description

The Inspection and Control Program, as part of the Brands-Enforcement Division, is responsible for livestock theft investigations, stray livestock investigations, brand inspections, recording of livestock brands, filing of security interests on livestock, livestock auction licensing, livestock dealer licensing, hide inspections, and beef inspections.

Budget

The 5.7 percent increase in personal services and 4.0 increase in FTE results from: 1) the continuation in fiscal 1992 of 2.0 additional FTE (at a cost of $37,584) authorized for fiscal 1991 to staff the 10-year brand rerecord; 2) transfer in of 1.0 FTE from the Milk and Egg Program to be used as an animal theft investigator in Eastern Montana; and 3) 1.0 FTE added by the budget modification. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of $68,907 in fiscal 1992 and $67,445 in fiscal 1993.

Increases in operating expenses result from approval of the fiscal 1991 appropriation level as the budget base. Included in operating expenses is $68,845 in fiscal 1992 for the brand rerecord process. The budget modification adds $25,000 per year. Additional operating expenses for the animal theft investigator of $6,000 per year were added.

Equipment, which includes the agency's request, consists of five vehicles per year, a high band base station, and office equipment. In addition, the legislature approved the purchase of an additional vehicle for use by the animal theft investigator position transferred in from the Milk and Egg program.

INSPECTION & CONTROL PROGRAM

Budget Modification

	Executive				Legislative			
Modification Type	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93
1) Livestock Workload Increase	1.0	1.0	0.0	$110,058	1.0	1.0	0.0	$107,655

1) The Livestock Workload Increase budget modification funds a field auditor to review custodial accounts at livestock markets and to audit other inspection records throughout Montana.

Funding

This program is funded entirely from the inspection and control fund. Under state law, the department may not expend more than 10 percent of the net brand rerecord revenue each year.

PREDATOR CONTROL PROGRAM

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	1.00	1.25	1.25	.00	1.25	1.25	.00	.25
Personal Services	44,912	59,220	56,851	2,369-	59,432	57,055	2,377-	26.58%
Operating Expenses	191,331	317,311	337,311	20,000	215,211	235,211	20,000	76.30%
Equipment	2,558	0	0	0	0	0	0	-100.00%
Total Costs	$238,801	$376,531	$394,162	$17,631	$274,643	$292,266	$17,623	65.06%
Fund Sources								
State Revenue Fund	238,801	376,531	394,162	17,631	274,643	292,266	17,623	65.06%
Total Funds	$238,801	$376,531	$394,162	$17,631	$274,643	$292,266	$17,623	65.06%

Program Description

The Predator Control Program, operated by the Brands-Enforcement Division, offers protection to livestock producers by controlling certain types of predators that kill or injure domestic livestock. This program is also designed to alleviate problems caused by animal species (particularly the coyote, which can carry bubonic plague) that may endanger human health or safety.

Budget

The 26.6 percent increase in personal services and 0.25 FTE increase is from: 1) vacancy savings in fiscal 1990; 2) transfer to this program of 0.25 FTE and $10,764 from the Meat Inspection program; and 3) continuation of the fiscal 1991 pay plan increase in the 1993 biennium. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of $23,69 in fiscal 1992 and $2,377 in fiscal 1993.

Operating expenses increase 76.3 percent due to: 1) legislative approval of $120,000 for a helicopter engine overhaul in fiscal 1992; and 2) the budget modification that adds $20,000 per year. The legislature approved fiscal 1991 appropriations as the budget base which increases expenses $5,980 in fiscal 1992 and $23,880 in fiscal 1993. Included in operating expenses is $20,000 per year in the predator control grant from the Department of Fish, Wildlife, and Parks which is continued in the 1993 biennium. This increase, although received in fiscal 1990, is contained as a budget modification within the Department of Fish, Wildlife, and Parks' 1993 biennium budget.

PREDATOR CONTROL PROGRAM

Budget Modification

	Executive				Legislative			
Modification Type	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93
1) Section 8 *	0.0	0.0	$0	$40,000	0.0	0.0	$0	$40,000

* Included in the revised Executive Budget (not included in the program table under the Executive column).

1) The Section 8 modification provides funding for the department in its role as the Governor's representative and facilitator in the mediation process among federal agencies such as the U.S. Forest Service, the Bureau of Land Management, the state and private lessees. Section 8 of the Rangeland Improvement Act of 1978 allows for the review of lands covered by Allotment Management Plans (AMP). The department participates in meetings for the development and revision of AMP's and hires consultants if needed.

Funding

This program is funded entirely from the inspection and control fund. The Department of Fish, Wildlife, and Parks deposits $95,000 per year (including the $20,000 increase) into this account for use in this program.

RABIES CONTROL

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	.00	.00	.00	.00	.00	.00	.00	.00
Operating Expenses	15,636	15,000	15,000	0	15,000	15,000	0	-4.07%
Equipment	784	0	0	0	0	0	0	-100.00%
Total Costs	$16,420	$15,000	$15,000	$0	$15,000	$15,000	$0	-8.65%
Fund Sources								
General Fund	1,420	0	0	0	0	0	0	-100.00%
State Revenue Fund	15,000	15,000	15,000	0	15,000	15,000	0	.00%
Total Funds	$16,420	$15,000	$15,000	$0	$15,000	$15,000	$0	-8.65%

Program Description

The Rabies Control Program within the Animal Health Division functions to protect human health from rabies by controlling the transmission of domestic animal and wildlife rabies, particularly through eradication of skunks. This is accomplished by state level programs and by cooperation with counties, private groups (such as humane societies and veterinary associations), other government agencies (such as the Department of Health and Environmental Sciences and the Department of Fish, Wildlife, and Parks), and private individuals.

Budget

General fund support of this program was scaled back in fiscal 1990 and eliminated in the 1993 biennium. Program expenses were appropriated at the level of funding provided by the Department of Fish, Wildlife, and Parks.

Funding

This program is funded entirely by a $15,000 grant from the Department of Fish, Wildlife, and Parks.

MEAT AND POULTRY INSPECTION PROGRAM

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	13.00	17.00	13.00	4.00-	17.00	13.00	4.00-	.00
Personal Services	302,781	439,773	330,531	109,242-	439,007	330,004	109,003-	9.17%
Operating Expenses	104,450	195,908	120,910	74,998-	196,264	121,016	75,248-	15.76%
Equipment	4,632	4,000	0	4,000-	0	0	0	-100.00%
Total Costs	$411,863	$639,681	$451,441	$188,240-	$635,271	$451,020	$184,251-	9.61%
Fund Sources								
General Fund	205,769	319,841	225,720	94,121-	317,635	225,510	92,125-	9.70%
Federal Revenue Fund	206,094	319,840	225,721	94,119-	317,636	225,510	92,126-	9.52%
Total Funds	$411,863	$639,681	$451,441	$188,240-	$635,271	$451,020	$184,251-	9.61%

Program Description

The Meat and Poultry Inspection Program within the Meat, Milk and Egg Inspection Division was established in 1987 by the Montana Meat and Poultry Inspection Act. Its function is to implement and enforce a meat and poultry inspection system equal to that maintained by the U.S. Department of Agriculture (USDA) and Food Safety Inspection Service (FSIS). By providing a state certification with federal standards, this program's goals are to assure clean, wholesome, properly labeled meat and poultry products for the consumer and, in doing so, increase the supply of Montana-raised products into Montana-based processing facilities.

Budget

The 9.2 percent increase in personal services is due to: 1) vacancy savings in fiscal 1990; and 2) the pay plan increase in fiscal 1991 that is continued in the 1993 biennium. These increases are offset by staff transfers which had no net effect on the FTE level but decreased personal services by $10,573 in fiscal 1992. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of $17,595 in fiscal 1992 and $17,565 in fiscal 1993.

Operating expenses increase 15.8 percent due to the legislature's use of the fiscal 1991 appropriated amount as the budget base, which added $16,460 in fiscal 1992 and $16,566 in fiscal 1993.

Equipment is a personal computer and printer associated with the budget modification.

MEAT AND POULTRY INSPECTION PROGRAM

Funding

This program is funded 50 percent general fund and 50 percent federal meat/poultry inspection special revenue received from the U.S. Department of Agriculture.

DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	256.20	451.35	262.20	189.15-	453.73	262.20	191.53-	6.00
Personal Services	6,662,096	13,417,079	7,734,407	5,682,672-	13,464,664	7,723,339	5,741,325-	16.10%
Operating Expenses	2,457,537	20,267,639	4,641,041	15,626,598-	20,020,583	3,841,843	16,178,740-	88.85%
Equipment	265,577	476,457	519,065	42,608	381,600	183,447	198,153-	95.45%
Capital Outlay	448,241	5,000,000	8,487,925	3,487,925	5,000,000	0	5,000,000-	1793.61%
Local Assistance	91,300	0	95,000	95,000	0	95,000	95,000	4.05%
Grants	354,369	1,930,343	536,589	1,393,754-	2,020,112	625,589	1,394,523-	51.42%
Transfers	2,100,823	0	0	0	0	0	0	-100.00%
Debt Service	33,799	58,133	56,726	1,407-	58,133	56,794	1,339-	67.83%
Total Costs	$12,413,742	$41,149,651	$22,070,753	$19,078,898-	$40,945,092	$12,526,012	$28,419,080-	77.79%
Fund Sources								
General Fund	3,933,519	5,730,059	4,648,968	1,081,091-	5,641,217	4,559,198	1,082,019-	18.19%
State Revenue Fund	7,535,679	12,796,910	8,979,329	3,817,581-	12,470,347	6,412,433	6,057,914-	19.16%
Federal Revenue Fund	944,544	22,622,682	8,442,456	14,180,226-	22,833,528	1,554,381	21,279,147-	793.81%
Total Funds	$12,413,742	$41,149,651	$22,070,753	$19,078,898-	$40,945,092	$12,526,012	$28,419,080-	77.79%

Agency Description

The Department of Natural Resources and Conservation (DNRC) is responsible for ensuring the wise management, development, conservation, and use of some of Montana's natural resources in a manner consistent with environmental quality. It works to sustain and improve the benefits derived from our water, soil, and rangeland; to encourage energy conservation and the use of renewable energy resources; and to make certain that energy facilities and water projects under its jurisdiction are developed with minimum adverse environmental effects. The department directs a wide variety of programs in meeting these and related goals and objectives. The department is provided for in Section 2-15-3301, MCA.

Budget

The legislature implemented a 4 percent vacancy savings reduction for this agency in the 1993 biennium.

DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

The pay plan increase for the 1993 biennium (House Bill 509) is not included in either the table above or the program tables. A description of the pay plan increase and a table showing allocations to each agency is contained in Volume 1 of this report in the "Pay Plan" section.

FTE increase by 6.0 from fiscal 1990 to fiscal 1992 due to: 1) the addition of 4.0 FTE each year in budget modifications; 2) continuation of 1.0 FTE added in fiscal 1991 by the 1989 legislature in the Reserved Water Rights Compact Commission; and 3) the addition of 1.0 FTE in current level to implement House Bill 908, which requires management and measurement of chronically dewatered streams.

Personal services increase 16.1 percent from fiscal 1990 to fiscal 1992 primarily due to: 1) the additional FTE; 2) the pay exception budget modifications, which add $231,802 in fiscal 1992 and $231,145 in fiscal 1993; 3) vacancy savings realized in fiscal 1990; and 4) continuation of the fiscal 1991 pay plan increase in the 1993 biennium. This increase is partially offset by the 4 percent vacancy savings reduction implemented by the legislature for the 1993 biennium, which reduces personal services by $312,609 in fiscal 1992 and $312,176 in fiscal 1993.

Operating expenses increase 88.9 percent because of: 1) the addition of spending authority for fees collected from environmental analyses required by either the Major Facility Siting Act (MFSA) or the Montana Environmental Protection Act (MEPA); 2) state water project rehabilitation expenses; 3) Broadwater Dam operating and maintenance costs; 4) budget modifications; and 5) miscellaneous additions discussed in the program narratives that follow.

Equipment increases 95.5 percent in fiscal 1992 because of a $329,730 biennial appropriation for Broadwater Dam equipment repair and replacement.

Capital outlay increases as the net result of budget modifications in the Water Resources Division, partially offset by elimination of fiscal 1990 expenditures of $448,241 due to project completion.

Local assistance is provided to conservation districts. The 51.4 percent increase in grants is due primarily to budget modifications and increases in grants for the institutional conservation, bioenergy, and construction demonstration programs.

Transfers consisted of the transfer of Broadwater Dam bond proceeds into a debt service account in fiscal 1990. Debt service increases by 67.8 percent primarily due to the addition of $23,336 per year for purchase of a computer system for the Reserved Water Rights Compact Commission.

Reorganization

The Executive Budget included a proposal to reorganize the Departments of Natural Resources and Conservation, Health and Environmental Sciences and State Lands. That proposal was not approved by the 1991 legislature. The budgets included in the "Executive Fiscal 1992 and 1993" columns above reflect the proposed reorganization.

DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

RIT Interest

The department receives funding from three Resource Indemnity Trust (RIT) interest accounts: 1) water development; 2) renewable resources; and 3) reclamation and development. The following table shows the RIT interest used to fund agency activities in the 1993 biennium.

Table 1
RIT Funding in Current Level & Budget Modifications
Department of Natural Resources and Conservation
1993 Biennium

Program	Water Development	Renewable Resource Development	Reclamation and Development	Total
		Current Level		
1. Central Svcs	$277,047	$28,894	$244,114	$550,055
2. CARD	0	0	0	0
a. Cons Dist	0	129,351	781,788	911,139
b. Rural Dev	0	0	51,529	51,529
c. Rsrc Dev	450,526	272,380	95,605	818,511
3. Water Resources	0	0	0	0
a. Admin	147,760	0	0	147,760
b. Engineering	1,394,513	0	0	1,394,513
c. Water Mgmt	203,654	0	1,201,876	1,405,530
d. Dam Safety	0	0	265,672	265,672
4. Compact Comm	0	0	566,099	566,099
Total Current Level	$2,473,500	$430,625	$3,206,683	$6,110,808
		Modifications		
1. St Owned Proj	$991,000	$0	$0	$991,000
2. Poplar River	66,800	0	0	66,800
3. Tongue River	400,000	0	0	400,000
4. Msri River Res	374,981	0	0	374,981
5. Pay Exceptions--Eng/Env Spec	108,767	5,489	85,733	199,989
6. Pay Exceptions--Hydrologists	44,090	0	105,342	149,432
Total Modifications	$1,985,638	$5,489	$191,075	$2,182,202
TOTAL RIT IN DNRC	$4,459,138	$436,114	$3,397,758	$8,293,010

DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

Budget Modifications

Modification Type	Executive FTE FY92	Executive FTE FY93	Executive General Fund 92-93	Executive Total 92-93	Legislature FTE FY92	Legislature FTE FY93	Legislature General Fund 92-93	Legislature Total 92-93
1. EIS/MEPA Compliance				100,000				100,000
2. Statewide RC&D Coordinator				0	1.0	1.0	48,795	97,591
3. Missouri River Reservation	3.0	3.0		547,433	3.0	3.0		540,565
4. Poplar River Monitoring				66,800				66,800
5. State Owned Water Projects*				991,000**				991,000
6. Middle Creek Dam*				3,896,925				3,896,925
7. Smith River*				1,600,000				1,600,000
8. Tongue River*				2,000,000				2,000,000
9. Energy Conservation				441,500				441,500
10. Missouri River/Corps of Engineers Lawsuit				0			25,000	25,000
11. HB 701 Implementation				0				20,000
12. Pay Exceptions--Eng/Env Spec								
Cons. & Resource Dev.				0				16,467
Water Resources				0			54,748	236,220
Compact Commission				0			7,884	22,526
Energy Division				0			20,391	22,658
13. Pay Exceptions--Hydrologists								
Water Resources				0				142,226
Compact Commission								22,850
Total	3.0	3.0	$0	$9,643,658	4.0	4.0	$156,818	$10,242,328

*Included in the Department of State Lands in the Executive Budget.
**Included in the revised Executive Budget (shown in Executive column in main table as $800,000).

Budget modifications are discussed in the individual program narratives that follow.

DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

Funding

General fund increases by 18.2 percent primarily due to: 1) increases in current level program costs; and 2) budget modifications, which add $156,818 over the biennium.

State special revenue increases due to the addition of major facility siting and Broadwater Dam spending authority, budget modifications, and current level cost increases in the Reserved Water Rights Compact Commission and Energy Division.

Federal funds increase primarily because of: 1) biennial appropriations for dam construction; 2) budget modifications; 3) current level increases in rural economic development, floodplain management and builders training programs; 4) increased grant funds; and 5) the addition of funds for administration of state revolving fund loans. These increases are partially offset by the elimination of federal oil overcharge indirect funds.

Other Legislation

The following table shows other legislation that appropriates funds to the department for the 1993 biennium.

	Fiscal 1992			Fiscal 1993		
Bill No./Description	FTE	General Fund	Total Funds	FTE	General Fund	Total Funds
HB 6 - Water Development/Renewable Resource Grants/Loans*	0.00	0	$ 4,703,177			
HB 7 - Water Development Loans*	0.00	0	30,586,748			
HB 8 - Reclamation & Development Grants*	0.00	0	4,567,773			
HB 10 - Oil Overcharge Funds*	0.00	0	1,185,000			
HB 524 - Wind Farm Transmission Study*	0.00	0	70,000			
HB 684 - Clean Coal Technology*	0.00	0	250,000			
HB 777 - State Building Energy Conservation Program*	0.00	0	400,000			
Totals	0.00	$0	$41,762,698	0.00	$0	$0

*Biennial appropriation

DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

HB 6 - Water Development & Renewable Resource Grants and Loans - This bill appropriates $889,812 from the water development state special revenue account to the department for 13 grants; $1,276,966 from the renewable resource development state special revenue account for 18 grants; $1,007,619 for 10 loans; and reappropriates $1,403,780 for 9 projects authorized by previous legislatures. This bill also appropriates up to $125,000 from the water development account to the department for emergency projects. For further information on grant and loan recipients, projects and award amounts, see the "Long Range Planning" section, Table 1.

HB 7 - Water Development Loans - This bill appropriates $8,227,283 to the department for 7 loans and reappropriates $22,359,465 for 12 loans authorized by previous legislatures. Loans are funded with coal severance tax bond sale proceeds. HB 7 also reauthorizes expenditure of Broadwater Dam construction funds. For more information on loan recipients, projects and amounts, see the "Long Range Planning" section, Table 3.

HB 8 - Reclamation and Development Grants - This bill provides $4,160,773 from the reclamation and development state special revenue account to the department for 24 grants and reauthorizes $407,000 for 2 grants approved by previous legislatures. For additional information on grant recipients, projects and amounts, see the "Long Range Planning" section, Table 2.

HB 10 - Oil Overcharge Funds - This bill appropriates the following federal oil overcharge funds to the department: 1) $200,000 for demonstration of vegetable oil fuel substitutes or extenders; 2) $235,000 for technical assistance to local governments for retrofitting local government buildings with energy conservation measures; 3) $100,000 for conservation districts to fund local energy efficiency or renewable energy projects; and 4) $650,000 for the Institutional Conservation program for schools and hospitals.

HB 524 - Wind Farm Transmission Study - The department is appropriated $70,000 from federal oil overcharge funds for a wind farm transmission study.

HB 684 - Clean Coal - This bill appropriates $250,000 from the local impact state special revenue account to the department for a loan to the MHD Corette project to develop an application for clean coal technology funding from the U.S. Department of Energy.

HB 777 - State Building Energy Conservation Program - This bill providess $400,000 from oil overcharge funds to the department for administration of the state owned building program authorized in Title 90, Chapter 4, Part 6, MCA. Also authorizes the issuance of $3 million in general obligation bonds to fund energy savings projects in state owned buildings during the 1993 biennium.

CENTRALIZED SERVICES

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	39.00	47.00	39.00	8.00-	47.00	39.00	8.00-	.00
Personal Services	1,098,745	1,432,782	1,195,520	237,262-	1,430,540	1,193,532	237,008-	8.81%
Operating Expenses	391,361	461,989	487,970	25,981	452,923	425,436	27,487-	24.69%
Equipment	16,775	6,093	4,904	1,189-	6,138	4,949	1,189-	-70.77%
Debt Service	10,645	14,574	10,645	3,929-	14,574	10,713	3,861-	.00%
Total Costs	$1,517,526	$1,915,438	$1,699,039	$216,399-	$1,904,175	$1,634,630	$269,545-	11.96%
Fund Sources								
General Fund	1,091,199	1,463,999	1,304,257	159,742-	1,456,491	1,240,145	216,346-	19.53%
State Revenue Fund	398,326	330,765	390,391	59,626	326,967	390,121	63,154	-1.99%
Federal Revenue Fund	28,001	120,674	4,391	116,283-	120,717	4,364	116,353-	-84.32%
Total Funds	$1,517,526	$1,915,438	$1,699,039	$216,399-	$1,904,175	$1,634,630	$269,545-	11.96%

Program Description

Centralized Services Division provides managerial and administrative support services essential to the effective operation of the department. The program has three components: 1) the Director's Office, which has responsibility for overall management and major decisions and recommendations within the jurisdiction of the department, includes the deputy director, legal, public information, and personnel support functions; 2) the Centralized Services program, which manages all financial activities, coordinates information systems, produces and coordinates publications and graphic materials, and performs general administrative support services; and 3) the Board of Natural Resources and Conservation (BNRC), which has statutorily assigned quasi-judicial functions, adopts department administrative rules if board approval is required. The BNRC is also responsible for approving reservations of water under the Montana Water Use Act, the siting of energy developments covered by the Major Facility Siting Act, and floodplain delineations under the Montana Floodplain and Floodway Management Act. The BNRC, whose seven members are appointed by the Governor, also acts in an advisory capacity to the department in all other matters.

The Centralized Services Division also houses the department's Digital Equipment Corporation (DEC) computer system, which is used for: 1) DNRC word processing and applications that do not require the mainframe; and 2) transmittal of all necessary DNRC data to the mainframe. This system was purchased in 1989 on a lease/purchase agreement. The final payment will be made in fiscal 1993. Centralized Services charges all agency programs for a portion of the lease/purchase debt service based upon the total number of pieces of equipment each department has accessing the system.

CENTRALIZED SERVICES

Language

"All indirect charges collected on oil overcharge funds are appropriated for transfer to the general fund."

"Included in Centralized Services funding is $10,000 per year of indirect funds from Major Facility Siting fees. If major facility siting activities generate more than $20,000 of indirect funds over the biennium, the additional major facility siting fee indirect funds will be used to fund centralized service operations and an equal amount of centralized service division general fund will be reverted."

Budget

Personal services increase 8.8 percent due to continuation of the fiscal 1991 pay plan increase in the 1993 biennium and because this division experienced significant vacancy savings in fiscal 1990. These increases are partially offset by the 4 percent vacancy savings for the 1993 biennium, which reduces personal services by $49,813 in fiscal 1992 and $49,731 in fiscal 1993.

Operating expenses increase 24.7 percent due to: 1) the addition of audit fees of $42,617 in fiscal 1992, compared to a 1991 biennial appropriation of $35,973 (of which $12,147 was expended in fiscal 1990); 2) the Missouri River/Corps of Engineers Lawsuit budget modification, which adds $25,000 in fiscal 1992; 3) increased rent, which adds $17,393 in fiscal 1992 and $21,931 in fiscal 1993; 4) a $14,357 per year increase in computer network fees; and 5) an increase of $4,523 in fiscal 1992 and $4,497 in fiscal 1993 for Army Corps of Engineers' rent, which was moved to this division from the Conservation and Resource Development Division.

Equipment includes office equipment, computer equipment and software. Debt service is this division's share of the department's Digital Equipment Corporation (DEC) computer system.

Budget Modification

	Executive				Legislature			
Modification Type	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93
1) Missouri River/Corps of Engineers Lawsuit	0.0	0.0	$0	$0	0.0	0.0	$25,000	$25,000

CENTRALIZED SERVICES

1) Missouri River/Corps of Engineers Lawsuit - This modification establishes a $25,000 general fund biennial appropriation to support Montana's share of costs associated with the case jointly filed against the Army Corps of Engineers by Montana, North Dakota and South Dakota.

Funding

The centralized services function is funded with general fund, federal Army Corps of Engineers funds, and assessments against state special revenue funds. Assessments ranging from 6.0 to 11.0 percent are levied against all state special revenue accounts used to fund agency activities. The balance remaining after these assessments and available federal funds is funded with general fund. The following table shows total division funding.

Table 2
Centralized Services Division Funding

	---Assessment Percentage---		---Assessment/Fees---	
	1992	1993	Fiscal 1992	Fiscal 1993
Fund Source				
Rangeland Improvement Loans	6%	6%	$ 8,830	$ 8,824
Major Facility Siting	*	*	9,709	9,702
Water Rights	6%	6%	4,631	4,628
Grazing Fees	*	*	485	485
Conservation District Grants	6%	6%	5,146	5,142
Alternative Energy	10%	10%	17,472	17,460
Oil & Gas	*	*	68,995	68,948
Renewable Resources	6%	6%	14,452	14,442
Water Development	11%	11%	138,572	138,475
Reclamation & Development	8%	8%	122,099	122,015
TOTAL ASSESSMENTS/FEES			390,391	390,121
General Fund: Central Services			1,284,248	1,220,129
General Fund: Bd of Nat Rsc Cons			20,009	20,016
Federal Funds (Army Corps of Engineers)			4,391	4,364
TOTAL CENTRALIZED SERVICES DIVISION FUNDING			$1,699,039	$1,634,630

*Fixed fee

CENTRALIZED SERVICES

General fund increases by 19.5 percent primarily because assessments against state special revenues remain constant from the current fiscal 1990 level. Consequently, increases in total program costs are funded with general fund. Federal funds consisted of assessments against oil overcharge funds in fiscal 1990. As these funds were spent, the department levied an indirect assessment to help fund the Centralized Services Division. Because of uncertainty over the level of funds available, no assessments on oil overcharge funds are included in the centralized services budget in the 1993 biennium. The legislature has approved language appropriating all indirect charges collected on oil overcharge funds for transfer to the general fund.

OIL & GAS REGULATION

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	26.00	26.00	26.00	.00	26.00	26.00	.00	.00
Personal Services	521,210	741,890	729,296	12,594-	740,481	727,878	12,603-	39.92%
Operating Expenses	205,997	402,821	403,493	672	392,034	389,643	2,391-	95.87%
Equipment	40,431	68,421	67,461	960-	68,077	68,077	0	66.85%
Debt Service	1,127	980	980	0	980	980	0	-13.04%
Total Costs	$768,765	$1,214,112	$1,201,230	$12,882-	$1,201,572	$1,186,578	$14,994-	56.25%
Fund Sources								
State Revenue Fund	768,765	1,214,112	1,201,230	12,882-	1,201,572	1,186,578	14,994-	56.25%
Total Funds	$768,765	$1,214,112	$1,201,230	$12,882-	$1,201,572	$1,186,578	$14,994-	56.25%

Program Description

The Oil and Gas Conservation Division administers the Montana oil and gas conservation laws to promote conservation and prevent waste in the recovery of these resources through regulation of exploration and production of oil and gas. To meet this goal, the division: 1) issues drilling permits; 2) classifies wells; 3) establishes well spacing units and pooling orders; 4) inspects drilling, production, and seismic operations; 5) investigates complaints; 6) does engineering studies; and 7) collects and maintains complete well data and production information.

Language

"The Board of Oil and Gas Conservation is appropriated $110,000 per year from federal special revenues contingent upon receiving federal funds from the Environmental Protection Agency (EPA) for the Underground Injection Control (UIC) program."

Budget

This division is seeking primacy from the Environmental Protection Agency for the Underground Injection Control (UIC) program. The 1989 legislature appropriated 4.0 FTE and $282,903 of state special revenue to operate the program in fiscal 1990, as well as an additional $110,000 of anticipated federal funds once primacy was achieved. As of March 1, 1991, no FTE had been hired and no expenses incurred because the state had not been granted primacy by EPA. State special revenue for the program has been continued

OIL & GAS REGULATION

in the 1993 biennium to allow the department to continue to seek primacy, and language was added that appropriates up to $110,000 per year of anticipated federal UIC funds once primacy is achieved.

Personal services increase 39.9 percent due to: 1) continuation of 4.0 FTE for the UIC program, which adds $111,876 in fiscal 1992 and $111,636 in fiscal 1993; 2) vacancy savings in fiscal 1990; and 3) continuation of the fiscal 1991 pay plan in the 1993 biennium. These increases are partially offset by the 4 percent vacancy savings implemented for the 1993 biennium, which reduces personal services by $30,388 in fiscal 1992 and $30,328 in fiscal 1993.

Operating expenses increase 95.9 percent primarily due to: 1) continuation of funding for the UIC program, which adds $151,991 in fiscal 1992 and $151,812 in fiscal 1993: 2) the addition of $31,801 in fiscal 1992 and $32,145 in fiscal 1993 for the EIS/MEPA budget modification discussed below; and 3) a $12,000 increase in legal costs in fiscal 1992.

Equipment includes vehicles and office, computer and field equipment. Debt service funds the division's share of the department's DEC system, and decreases because of reallocation of these expenses among programs.

Budget Modification

	Executive				Legislature			
Modification Type	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93
1) EIS/MEPA Compliance	0.0	0.0	$0	$100,000	0.0	0.0	$0	$100,000

1) EIS/MEPA Compliance - This modification funds implementation of the programmatic environmental impact statement (EIS) adopted by the Board of Oil and Gas Conservation in December 1989. It is totally funded from the oil and gas special revenue account.

Funding

The oil and gas conservation account funds this division. Revenue for this account is derived from drilling permits, a conservation tax on oil and gas production, interest earnings, and miscellaneous fees for photocopy and other services.

CONSERVATION/RESOURCE DEVELOPMENT DIVISION

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	20.00	.00	21.00	21.00	.00	21.00	21.00	1.00
Personal Services	493,675	0	604,545	604,545	0	603,669	603,669	22.46%
Operating Expenses	247,576	0	311,035	311,035	0	253,386	253,386	25.63%
Equipment	22,154	0	14,414	14,414	0	14,789	14,789	-34.94%
Local Assistance	91,300	0	95,000	95,000	0	95,000	95,000	4.05%
Grants	199,814	0	186,089	186,089	0	186,089	186,089	-6.87%
Debt Service	2,060	0	2,364	2,364	0	2,364	2,364	14.76%
Total Costs	$1,056,579	$0	$1,213,447	$1,213,447	$0	$1,155,297	$1,155,297	14.85%
Fund Sources								
General Fund	52,084	0	110,292	110,292	0	90,781	90,781	111.76%
State Revenue Fund	986,568	0	1,014,032	1,014,032	0	995,296	995,296	2.78%
Federal Revenue Fund	17,927	0	89,123	89,123	0	69,220	69,220	397.14%
Total Funds	$1,056,579	$0	$1,213,447	$1,213,447	$0	$1,155,297	$1,155,297	14.85%

Program Description

The Conservation and Resource Development Division is made up of the Conservation Districts Bureau and the Resource Development Bureau.

The Conservation Districts Bureau coordinates, supervises, and provides financial and technical assistance to Montana's 59 conservation districts. It serves as coordination and liaison between conservation districts and federal, state, and local governments. The bureau is also responsible for statewide coordination of rangeland management and administration of the state's 30 grazing districts. The Resource Development Bureau provides technical, financial, and administrative assistance to public and private entities to complete projects that put renewable resources to work, increase the efficiency with which natural resources are used, or solve recognized environmental problems. In fulfilling these duties, the bureau administers four loan and grant programs.

Language

"The department is appropriated up to $700,000 from the account established in Section 76-14-112, MCA for rangeland loans during the 1993 biennium."

CONSERVATION/RESOURCE DEVELOPMENT DIVISION

"The department is appropriated up to $1 million over the biennium from the accounts established in Section 85-1-604 and 85-1-617, MCA, for purchase of prior liens on property held as loan security as required by Section 85-1-615, MCA."

"All funds deposited into the state special revenue account established in Section 76-15-530, MCA, are appropriated to the department for distribution as grants to conservation districts."

"[Statewide Resource Conservation and Development Operating Expenses] is a biennial appropriation."

"The general fund appropriation in [Statewide Resource Conservation and Development budget modifications] may be expended only as a match for an equal amount of federal funds."

"The appropriation for implementation of [House Bill 795--Montana Community Infrastructure Program] is contingent upon passage and approval of House Bill 795." This bill was vetoed by the Governor. The appropriation contained in this budget modification has been removed from the program table above.

"[House Bill 701--Implementation of Clean Coal Technology Project] is contingent upon passage and approval of House Bill 701." This bill has been signed into law.

Budget

FTE increase due to the addition of 1.0 FTE in the Statewide Resource Conservation & Development (RC&D) Coordinator budget modification discussed below.

Personal services increase due to: 1) the RC & D Coordinator and Pay Exception budget modifications, which add $37,302 in fiscal 1992 and $36,982 in fiscal 1993; 2) vacancy savings realized in fiscal 1990; and 3) continuation of the fiscal 1991 pay plan increase in the 1993 biennium. These increases are partially offset by the 4 percent vacancy savings implemented for the 1993 biennium, which reduce personal services by $24,841 in fiscal 1992 and $24,815 in fiscal 1993.

The operating expense increase is primarily due to: 1) the Statewide RC & D Coordinator and House Bill 701 Implementation budget modifications, which add biennial appropriations of $59,774 in fiscal 1992.

Local assistance is provided to conservation districts to supplement local funding sources when mill levy revenue is inadequate to support district operations. The total, which represents the agency request, is funded with RIT reclamation and development funds.

Grants include: 1) a $100,000 per year pass-through grant to the Montana Salinity Control Association for saline seep reclamation activities; and 2) $86,089 per year for grants to local conservation districts for projects and activities. The saline seep grant is funded with RIT reclamation and development funds, and the conservation district grants are funded from the statutory allocation (0.19 percent) of coal severance tax.

CONSERVATION/RESOURCE DEVELOPMENT DIVISION

Debt service is the division's share of the department's DEC system.

Budget Modifications

	Executive				Legislative			
Modification Type	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93
1) Statewide Resource Conservation & Development Coordinator (RC & D Coordinator)					1.0	1.0	$48,795	$ 97,591
2) House Bill 701 Implementation								20,000
3) Pay Exceptions--Civil Engineers/Environmental Specialists								16,467
Total	0.0	0.0	$0	$0	1.0	1.0	$48,795	$134,058

1) Statewide RC & D Coordinator - This modification provides a statewide Resource Conservation and Development coordinator to assist with grassroots rural economic development activities. Funds are 50 percent general fund and 50 percent federal funds.

2) House Bill 701 Implementation - This modification utilizes local impact state special revenue funds to provide a $20,000 biennial appropriation to the department to contract for clean coal technology expertise to draft rules and establish project criteria.

3) Pay Exceptions--Civil Engineers/Environmental Specialists - This modification: 1) provides $2,787 from the water development, renewable resource development and reclamation and development state special revenue accounts in fiscal 1992 for "blanket" pay exceptions for these classifications approved for the 1993 biennium; and 2) $2,702 from each of the same accounts in fiscal 1993 for the same purpose.

Implementation costs of House Bill 795, which was vetoed by the Governor, are not included in either the main program table or the budget modification table above.

CONSERVATION/RESOURCE DEVELOPMENT DIVISION

Funding

The Conservation and Resource Development Division is funded with: 1) state special revenues, which include rangeland improvement loan administration fees, grazing district fees, conservation district coal severance tax income, local impact funds, and RIT interest through the renewable resource development account (RRD), reclamation and development account (R and D), and water development account; 2) federal funds, which include a grant for Rural Economic Development and state revolving fund loan administration fees; and 3) general fund. The following table details funding for this division.

CONSERVATION/RESOURCE DEVELOPMENT DIVISION

Table 3
Conservation & Resource Development Division Funding

Fund Source	Conservation Districts	Rural Economic Development	Conservation and Resource Development	Budget Modifications	Total
Fiscal 1992					
General Fund	$ 75,935			$34,357	$ 110,292
State Special					0
Range Imp.	4,930				4,930
Grazing Dist.	6,036				6,036
Cons. Dist.	84,885				84,885
Water Dev.			$225,188	2,787	227,975
RRD	64,682		136,134	2,787	203,603
R & D	396,190	$25,626	42,000	2,787	466,603
Local Impact				20,000	20,000
Federal Funds					0
SRF Loan Admi			14,532		14,532
Res. Dev.		40,233		34,358	74,591
TOTAL	$632,658	$65,859	$417,854	$97,076	$1,213,447
Fiscal 1993					
Fund Source	Conservation Districts	Rural Economic Development	Conservation and Resource Development	Budget Modifications	Total
General Fund	$76,342			14,438	$ 90,780
State Special					0
Range Imp.	4,929				4,929
Grazing Dist.	6,035				6,035
Cons. Dist.	84,867				84,867
Water Dev.			225,338	2,702	228,040
RRD	64,669		136,246	2,702	203,617
R & D	385,598	25,903	53,605	2,702	467,808
Local Impact					0
Federal Funds					0
SRF Loan Admin			14,545		14,545
Res. Dev.		40,238		14,438	54,676
Total	$622,440	$66,141	$429,734	$36,982	$1,155,297

WATER RESOURCES & PLANNING

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	120.20	106.20	124.20	18.00	106.20	124.20	18.00	4.00
Personal Services	3,250,639	3,050,948	3,692,136	641,188	3,046,359	3,687,033	640,674	13.58%
Operating Expenses	1,134,286	1,110,405	1,496,748	386,343	731,273	1,118,879	387,606	31.96%
Equipment	123,707	38,394	415,107	376,713	38,394	79,107	40,713	235.56%
Capital Outlay	4,500	0	8,487,925	8,487,925	0	0	0	8520.56%
Grants	0	18,000	18,000	0	18,000	18,000	0	.00%
Transfers	2,100,823	0	0	0	0	0	0	-100.00%
Debt Service	12,483	11,226	12,926	1,700	11,226	12,926	1,700	3.55%
Total Costs	$6,626,438	$4,228,973	$14,122,842	$9,893,869	$3,845,252	$4,915,945	$1,070,693	113.13%
Fund Sources								
General Fund	2,263,903	2,557,271	2,583,018	25,747	2,549,343	2,575,895	26,552	14.10%
State Revenue Fund	4,281,603	1,619,410	4,391,583	2,772,173	1,243,617	2,289,028	1,045,411	2.57%
Federal Revenue Fund	80,932	52,292	7,148,241	7,095,949	52,292	51,022	1,270-	8732.40%
Total Funds	$6,626,438	$4,228,973	$14,122,842	$9,893,869	$3,845,252	$4,915,945	$1,070,693	113.13%

Program Description

The Water Resources Division is responsible for many programs associated with the uses, development, and protection of Montana's water. The division also develops and recommends water policy to the director, Governor, and legislature. The division consists of an administration unit with an attached dam safety compliance staff and three separate bureaus: Water Management Bureau, Water Rights Bureau, and Engineering Bureau.

Language

"The appropriations for [State Owned Water Projects], [Middle Creek Dam], [Smith River Dam], and [Tongue River Dam] are biennial."

"Funds appropriated in [Broadwater Dam Equipment] must be used to repair and replace equipment at the Broadwater hydropower project and to service the Broadwater hydropower project bond debt if revenue deposited in the debt account is insufficient for this purpose."

WATER RESOURCES & PLANNING

"Funds received under the provisions of Section 85-1-514 (4), MCA, are appropriated to the department for the purpose of performing duties required under Section 85-1-514, MCA." This language authorizes the department to spend funds received from private parties who pay the department to prepare hydroelectric feasibility studies on state owned water projects.

"Funds received from bonds required by Section 37-43-306, MCA, are appropriated to the department for the purpose of performing remedial action on water wells, providing compensation for damages caused by water well violations, or paying administrative costs incurred by the Board of Water Well Contractors."

"Any revenue collected in the state water project hydroelectric power generation special revenue account established in House Bill 586 is appropriated to the department for the rehabilitation of the Tongue River Dam. The revenues will be used only if federal authorization for the project rehabilitation is secured." House Bill 586 has been signed into law, and stipulates that all excess revenue from the Broadwater hydropower project must be deposited into a special revenue account. This language appropriates funds from that account to the department for rehabilitation of the Tongue River Dam.

"Any fines collected under the provisions of Title 85, Chapter 2, and deposited in the water rights appropriation account in accordance with 85-2-318 are appropriated to the department to carry out the enforcement functions required under section 85-2-114." This language authorizes the department to spend fines collected for violations of Title 85, Chapter 2, for water rights enforcement activities.

Legislative Intent

In fiscal 1991, $200,000 of excess revenue from the sale of Broadwater Dam hydropower was deposited into the water development state special revenue account and was used to support an additional state water rehabilitation project in the 1993 biennium. It is the legislature's intent that excess revenue in the 1993 biennium fund state water project rehabilitation.

Budget

FTE increase by 4.0 due to: 1) the addition of 3.0 FTE through the Missouri River Reservation budget modification discussed below; and 2) the addition of 1.0 FTE to implement House Bill 908, which mandates management of and measuring devices on chronically dewatered streams.

Personal services increase 13.6 percent because of: 1) the Missouri River Reservation and Pay Exception budget modifications, which add $271,728 in fiscal 1992 and $271,540 in fiscal 1993; 2) House Bill 908, which resulted in the addition of $27,902 in fiscal 1992 and $27,838 in fiscal 1993; 3) vacancy savings in fiscal 1990; and 4) continuation of the fiscal 1991 pay plan increase in the 1993 biennium. These increases are partially offset by: 1) the 4 percent vacancy savings for the 1993 biennium, which reduces personal services by $145,955 in fiscal 1992 and $145,743 in fiscal 1993; and 2) a $22,000 decrease in overtime for Broadwater Dam construction.

WATER RESOURCES & PLANNING

Operating expenses increase by 31.9 percent due to: 1) the Missouri River Reservation and Poplar River budget modifications, which add $390,793 in fiscal 1992 and $15,750 in fiscal 1993; 2) increases of $172,727 in fiscal 1992 and $171,041 in fiscal 1993 for Broadwater Dam operations and maintenance; 3) a $10,000 per year increase in Missouri River Basin Association dues; and 4) the addition of $9,513 in fiscal 1992 and $8,577 in fiscal 1993 to implement House Bill 908. These increases are partially offset by: 1) a $43,447 decrease in contracted services; and 2) a $22,727 per year decrease in computer network charges.

Equipment includes $329,730 in fiscal 1992 for Broadwater Dam equipment repair and replacement, two replacement vehicles, and various office, field monitoring, and computer equipment.

Capital outlay expenditures in fiscal 1990 were for the Middle Creek feasibility study and are not continued in the 1993 biennium due to completion of the study. Capital outlay in the 1993 biennium consists of the state water projects, Smith River, Middle Creek Dam, and Tongue River budget modifications. All are biennial appropriations.

Grants are for the Bureau of Mines to conduct groundwater monitoring. Transfers, which were used in fiscal 1990 to move Broadwater Dam bond sale proceeds from a bond proceeds account to a debt service account, are not continued in the 1993 biennium. Debt service in the 1993 biennium includes phone system leases and this division's share of the department's DEC system.

Budget Modifications

	Executive				Legislative			
Modification Type	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93
1) Missouri River Reservation	3.0	3.0		$ 547,433	3.0	3.0		$ 540,565
2) Poplar River Monitoring				66,800				66,800
3) State Owned Water Projects*				991,000**				991,000
4) Middle Creek Dam				3,896,925				3,896,925
5) Smith River*				1,600,000				1,600,000
6) Tongue River*				2,000,000				2,000,000
7) Pay Exceptions--Civil Engineers and Environmental Specialists							$54,748	236,220
8) Pay Exceptions--Hydrologists								142,226
Total	3.0	3.0	$0	$9,102,158	3.0	3.0	$54,748	$9,473,736

*Included in the Department of State Lands in the Executive Budget.
**Included in the revised Executive Budget (shown in Executive column in main table as $800,000).

WATER RESOURCES & PLANNING

1) Missouri River Reservation - This modification continues the Missouri River reservation process begun by the legislature in 1985. During the 1993 biennium, the department will prepare the Environmental Impact Statement (EIS) on reservation applications in the lower Missouri and Little Missouri river basins. The modification includes a biennial appropriation of $375,743 for operating expenses. Funding for the modification consists of $165,584 from the Department of Fish, Wildlife & Parks general license and federal accounts and $374,981 from the RIT water development account.

2) Poplar River - This modification adds RIT water development funds to monitor water quality and quantity on the Poplar River at the international boundary between Montana and Saskatchewan in accordance with a bi-national monitoring committee request. A total of $18,000 per year will be granted to the Bureau of Mines for groundwater monitoring, with the remaining funds used to contract with the United States Geological Survey (USGS) for collecting water quality and quantity information.

3) State Owned Water Projects - RIT interest from the water development account funds this biennial appropriation to support construction and pre-construction activities on the following projects: Tongue River Dam, Middle Creek Dam, North Fork Smith River Dam, Ruby Dam, and Nevada Creek Dam. Support for the Nevada Creek Dam feasibility study comes from $200,000 in excess Broadwater hydropower revenue. A $91,000 biennial appropriation for unanticipated miscellaneous repairs is also included.

4) Middle Creek Dam - A biennial appropriation of $3,896,925 was added to bring the Middle Creek Dam up to present dam safety standards and to provide additional storage capacity. Funding is from a U.S. Bureau of Reclamation loan for $3,121,925 and a federal grant for the remaining $775,000. The loan will be repaid by the City of Bozeman and the water users.

5) Smith River - This modification adds biennial spending authority of $1,600,000 in federal funds to rehabilitate the water project on the North Fork of the Smith River, where seepage and an undersized spillway have caused stability concerns. The federal funds will be in the form of a loan, which will be repaid by the water users.

6) Tongue River - A biennial appropriation of $2,000,000 was added to complete final design specifications for the Tongue River Dam, which the U.S. Army Corps of Engineers has classified an unsafe, high-hazard structure. Funding for this project will consist of $1,600,000 from a U.S. Bureau of Reclamation grant and $400,000 from the RIT water development state special revenue account. The water development funds were unspent from the 1991 biennium appropriation for rehabilitation of state owned water projects due to lower than anticipated costs.

7) Pay Exceptions--Civil Engineers/Environmental Specialists - This modification provides funds for "blanket" pay exceptions for these classifications which have been approved for the 1993 biennium and is funded with general fund and state special revenue including RIT interest, water rights appropriation funds, and Broadwater operations and maintenance funds.

8) Pay Exceptions - Hydrologists - This modification provides state special revenue to fund "blanket" pay exceptions for this classification. Water development, reclamation and development, and Broadwater operations and maintenance funds are used to fund this modification.

WATER RESOURCES & PLANNING

Funding

The Water Resources Division is funded with a mixture of general fund, state special revenue, and federal funds as shown in the following table.

Water Resources Division Funding
1993 Biennium

- - - - Fiscal 1992 - - - -

Program	General Fund	FWP SSR	Broadwater O & M	Broadwater Equipment	Water Rights Approp	Water Devlpmt	Reclamation and Develop.	Water Well Contrctr	State Assistance (FEMA)	Federal Funds	TOTAL
Administration	$ 153,978					$ 73,879					$ 227,857
New Water Rights	1,457,061				$77,307						1,534,368
Water Rights Adj	824,490										824,490
Engineering	24,519		$294,402	$329,730		699,403			$51,316		1,399,370
Water Management	77,311					101,858	$601,143				780,312
Water Well Cont								$36,856			36,856
Dam Safety	18,285						132,858				151,143
Budget Modific.	27,374	$165,584	13,173		945	1,790,398	74,047			$7,096,925	9,168,446
TOTAL	$2,583,018	$165,584	$307,575	$329,730	$78,252	$2,665,538	$808,048	$36,856	$51,316	$7,096,925	$14,122,842

- - - - Fiscal 1993 - - - -

Program	General Fund	FWP SSR	Broadwater O & M	Broadwater Equipment	Water Rights Approp	Water Devlpmt	Reclamation and Development	Water Well Contrctr	State Assistance (FEMA)	Federal Funds	TOTAL
Administration	$ 153,626					$ 73,881					$ 227,507
New Water Rights	1,452,348				$77,237						1,529,585
Water Rights Adj	819,041										819,041
Engineering	29,091		$292,716			695,110			$51,022		1,067,939
Water Management	76,313					101,796	$600,733				778,842
Water Well Cont								$36,825			36,825
Dam Safety	18,102						132,814				150,916
Budget Modific.	27,374	_	13,173	_	945	189,751	74,047			_	305,290
TOTAL	$2,575,895	0	$305,889	0	$78,182	$1,060,538	$807,594	$36,825	$51,022	0	$4,915,945

RESERVED WATER RIGHTS COMPACT COMMISSION

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	11.00	12.00	12.00	.00	12.00	12.00	.00	1.00
Personal Services	222,320	347,976	356,824	8,848	347,293	356,107	8,814	60.50%
Operating Expenses	45,877	68,223	68,634	411	70,161	69,935	226-	49.60%
Equipment	23,627	6,710	6,710	0	4,671	4,671	0	-71.60%
Debt Service	1,379	24,715	24,715	0	24,715	24,715	0	1692.24%
Total Costs	$293,203	$447,624	$456,883	$9,259	$446,840	$455,428	$8,588	55.82%
Fund Sources								
General Fund	112,818	155,089	154,665	424-	155,114	154,055	1,059-	37.09%
State Revenue Fund	180,385	292,535	302,218	9,683	291,726	301,373	9,647	67.54%
Total Funds	$293,203	$447,624	$456,883	$9,259	$446,840	$455,428	$8,588	55.82%

Program Description

The Reserved Water Rights Compact Commission, which was created by the legislature in 1979 as part of the water rights adjudication effort, is provided for in Section 2-15-212, MCA. The purpose of the commission is to negotiate water rights with Indian tribes and federal agencies, with the intent to establish a formal agreement (compact) on the amount of water to be allocated to each interest. To date, the commission has concluded one compact with the Fort Peck tribe in 1985. The commission is statutorily attached to the Governor's office but is served by a staff attached to DNRC. Three programs are administered by the commission staff: 1) Information Services; 2) Commission Negotiations; and 3) Administrative Support.

Budget

FTE increases by 1.0 due to continuation of a position added in fiscal 1991 by the 1989 legislature.

Personal services increase by 60.5 percent due to: 1) significant vacancy savings in fiscal 1990 due to staff turnover and delays in hiring new staff; 2) the budget modifications, which add $22,719 in fiscal 1992 and $22,657 in fiscal 1993; 3) the additional FTE, which adds $27,852 in fiscal 1992 and $27,787 in fiscal 1993; and 4) continuation of the fiscal 1991 pay plan in the 1993 biennium. These increases are partially offset by the 4 percent vacancy savings for the 1993 biennium, which reduces personal services by $13,921 in fiscal 1992 and $13,894 in fiscal 1993.

RESERVED WATER RIGHTS COMPACT COMMISSION

Operating expenses increase by 49.6 percent due to: 1) the addition of $18,000 each year for contracted services to hire legal counsel for final negotiations with tribes; and 2) an increase in computer maintenance contract costs, which adds $4,998 in fiscal 1992 and $7,037 in fiscal 1993.

Equipment includes office and computer equipment.

Debt service includes the commission's share of the department's DEC system and $23,336 per year to purchase a specialized computer system through a three-year lease/purchase agreement. The 1989 legislature appropriated $20,000 per year to lease/purchase a computer system, but the commission did not expend any funds due to anticipated changes in technology.

Budget Modifications

	Executive				Legislative			
Modification Type	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93
1) Pay Exceptions--Civil Engineers/Environmental Specialists							$7,884	$22,526
2) Pay Exceptions--Hydrologists	—	—	—	—	—	—	—	22,850
Total	0.0	0.0	$0	$0	0.0	0.0	$7,884	$45,376

1) Pay Exceptions--Civil Engineers/Environmental Specialists - This modification appropriates general fund and reclamation and development state special revenue to fund "blanket" pay exceptions for these classifications.

2) Pay Exceptions--Hydrologists - Reclamation and development state special revenue funds are used in this modification to fund "blanket" pay exceptions for this classification.

Funding

The Reserved Water Rights Compact Commission is funded 35 percent by general fund and 65 percent from the RIT reclamation and development state special revenue account. The budget modifications are funded separately, as indicated in the table above.

ENERGY PLANNING

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	40.00	40.00	40.00	.00	40.00	40.00	.00	.00
Personal Services	1,075,507	1,192,278	1,156,086	36,192-	1,191,626	1,155,120	36,506-	7.49%
Operating Expenses	432,440	1,844,476	1,873,161	28,685	1,988,498	1,584,564	403,934-	333.16%
Equipment	38,883	10,469	10,469	0	11,854	11,854	0	-73.08%
Capital Outlay	443,741	0	0	0	0	0	0	-100.00%
Grants	154,555	332,500	332,500	0	421,500	421,500	0	115.13%
Debt Service	6,105	6,638	5,096	1,542-	6,638	5,096	1,542-	-16.53%
Total Costs	$2,151,231	$3,386,361	$3,377,312	$9,049-	$3,620,116	$3,178,134	$441,982-	56.99%
Fund Sources								
General Fund	413,515	496,960	496,736	224-	501,705	498,322	3,383-	20.13%
State Revenue Fund	920,032	1,412,674	1,679,875	267,201	1,412,633	1,250,037	162,596-	82.59%
Federal Revenue Fund	817,684	1,476,727	1,200,701	276,026-	1,705,778	1,429,775	276,003-	46.84%
Total Funds	$2,151,231	$3,386,361	$3,377,312	$9,049-	$3,620,116	$3,178,134	$441,982-	56.99%

Program Description

The Energy Division consists of three bureaus: 1) the Facility Siting Bureau, which designs and conducts environmental impact and monitoring studies and performs analyses of energy projects under either the Major Facility Siting Act (MFSA) or the Montana Environmental Policy Act (MEPA). The bureau also conducts impact assessment and research studies when its environmental expertise is requested by the BNRC, other bureaus, divisions, or state or federal agencies; 2) the Planning and Analysis Bureau, which identifies and evaluates energy issues that could significantly affect Montana and formulates recommendations for Montana officials. The bureau also represents the state on various technical and policy groups; and 3) the Conservation and Renewable Energy Bureau, which works to encourage energy conservation and reduce the state's dependence on fossil fuels through the promotion of competitively priced renewable resources.

Language

"[Rock Creek Mitigation--$400,000] is a biennial appropriation. The department is appropriated up to $700,000 from the Rock Creek Mitigation special revenue account in addition to the $400,000 biennial appropriation. The total appropriation for [Rock Creek Mitigation] shall not exceed $1,100,000 over the biennium."

ENERGY PLANNING

"[Lake Broadview] is a $30,000 biennial appropriation."

"In spending eligible federal energy funds appropriated in [Energy Division], the department shall give priority to developing a self-sustaining program for retrofitting school buildings with energy conservation measures that is similar to the State Building Energy Conservation program established in Title 90, Chapter 4, Part 6, for state buildings. The department shall submit to the 53rd legislature proposed legislation necessary to implement the school building energy conservation program."

Budget

The division's budget increases 57.0 percent due primarily to major facility siting and Rock Creek mitigation activities.

The Major Facility Siting Bureau prepares environmental impact statements (EIS) and assessments (EIA) whenever such analysis and review is required by either the Major Facility Siting Act (MFSA) or the Montana Environmental Policy Act (MEPA). These activities are supported by filing fees collected from permit or certification applicants. The 1989 legislature appropriated $1,005,300 for siting activities. In fiscal 1990, the department expended a total of $176,374 in personal services, $91,568 in operating expenses, and $268 in equipment. Because the funding needed to accomplish major facility siting activities is not known in advance, the legislature appropriated a lump sum of $996,335 in contracted services each year to cover all potential costs, with the understanding that some will be used for personal services.

As part of the settlement agreement between the Bonneville Power Administration (BPA) and the Rock Creek Advisory Council, a trust fund was established to support activities that lessen the impact to Rock Creek from the BPA powerline through the area. The 1989 legislature appropriated $1,650,000 for this purpose, and the Advisory Council expended $5,080 in personal services, $13,013 in operating expenses, $10,769 in equipment, $13,500 in grants, and $443,741 to purchase land. As with major facility siting, the amount necessary is unknown in advance. In response, the legislature appropriated a lump sum in contracted services of $400,000 over the biennium to cover all potential costs. Language has been included that allows the Rock Creek Advisory Council additional spending authority up to $1.1 million over the biennium if necessary.

Personal services increase 7.5 percent primarily due to: 1) vacancy savings in fiscal 1990; 2) the Pay Exception budget modification, which adds $11,499 in fiscal 1992 and $11,159 in fiscal 1993; and 3) continuation of the fiscal 1991 pay plan in the 1993 biennium. These increases are partially offset by: 1) the elimination of Rock Creek and facility siting personal services expenditures; and 2) vacancy savings for the 1993 biennium, which reduce personal services by $47,691 in fiscal 1992 and $47,665 in fiscal 1993.

In addition to the increases for Rock Creek and facility siting activities, operating expenses increase as a result of: 1) a $30,000 biennial appropriation for Lake Broadview mitigation activities; 2) inclusion of $72,500 each year for Montana Power Company (MPC)/Western Area Power Administration (WAPA) Builder Training programs; and 3) the energy conservation budget modification discussed below, which adds $29,500 in fiscal 1992 and $168,000 in fiscal 1993.

Equipment includes computer debt service and computer equipment and software.

ENERGY PLANNING

Capital outlay in fiscal 1990 was used to purchase land for Rock Creek mitigation activities.

Grants include: 1) institutional conservation program grants of $200,000 each year to schools, hospitals, and local governments to retrofit existing buildings for energy conservation; 2) bioenergy program grants of $25,000 per year to commercial, industrial, and public sector groups to promote the use of biomass energy; 3) residential construction and demonstration grants of $30,000 per year, which are used to fund energy-efficient, electrically-heated home construction in the BPA service area; and 4) $77,500 in fiscal 1992 and $166,500 in fiscal 1993 for the Energy Conservation budget modification discussed below.

Debt service decreases by 16.5 percent because a portion of the division's DEC costs are included in the equipment category in the 1993 biennium. The remaining DEC costs are included in debt service.

Budget Modifications

	Executive				Legislature			
Modification Type	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93
1) Energy Conservation				$441,500				$441,500
2) Pay Exceptions--Civil Engineers/Environmental Specialists							$20,391	22,658
Total	0.0	0.0	$0	$441,500	0.0	0.0	$20,391	$464,158

1) Energy Conservation - This modification adds federal Department of Energy and Bonneville Power Administration funds to: 1) implement federal energy efficiency programs through the State Energy Conservation program; and 2) provide energy efficiency technical assistance to consumer groups through the Biomass Utilization and Cogeneration program.

2) Pay Exceptions--Civil Engineers/Environmental Specialists - This modification appropriates general fund and major facility siting state special revenue to fund "blanket" pay exceptions for these classifications.

Funding

The Energy Division is funded with a mixture of general fund, state special revenue, and federal funds from the Department of Energy, Bonneville Power Administration, and oil overcharge funds. The following table shows the funding breakdown for this division.

ENERGY PLANNING

Table 5
Energy Division Funding

Fund Source	Admin	Planning/ Analysis	Major Facility Siting	Conservation	Budget Modifications	Total
Fiscal 1992						
General Fund	$124,429	$202,682	$ 159,276		$ 10,349	$ 496,736
State Special						
Rock Creek		398,477				398,477
Major Facility		16,181	1,001,893		1,150	1,019,224
Alt Enrgy				$171,101		171,101
Lake Broadview			29,886			29,886
Montana Power				61,187		61,187
Federal Funds						
Energy/FSD	14,515			614,636	107,000	736,151
Oil Overcharge		28,989		435,561		464,550
TOTAL	$138,944	$247,852	$1,589,532	$1,282,485	$118,499	$3,377,312
Fiscal 1993						
General Fund	$124,457	$204,324	$159,499		10,042	$ 498,322
State Special						
Rock Creek						
Major Facility		16,149	1,000,483		1,117	1,017,749
Alt Enrgy				171,098		171,098
Montana Power				61,190		61,190
Federal Funds						
Energy/FSD	14,515			650,449	334,500	999,464
Oil Overcharge		28,930		401,381		430,311
TOTAL	$138,972	$249,403	$1,159,982	$1,284,118	$345,659	$3,178,134

Additional oil overcharge funds that may be received in the 1993 biennium are appropriated in HB 10. The oil overcharge funds included in the appropriation are the unspent balance of prior oil overcharge allocations.

ENERGY PLANNING

The alternative energy development funds are used as match for administrative expenses of the ICP and Bioenergy program. In prior years, the alternative energy account received coal severance tax revenue, but that allocation was eliminated by House Bill 526 in the 1989 session. The remaining revenue to this account is interest and loan paybacks.

DEPARTMENT OF AGRICULTURE

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	90.33	96.71	99.04	2.33	97.09	99.09	2.00	8.71
Personal Services	2,321,776	2,736,091	2,680,424	55,667-	2,744,124	2,682,388	61,736-	15.45%
Operating Expenses	1,109,243	1,427,738	1,536,799	109,061	1,492,439	1,564,787	72,348	38.54%
Equipment	219,276	258,035	217,035	41,000-	169,058	137,058	32,000-	-1.02%
Grants	1,796,998	2,244,630	2,244,630	0	2,247,512	2,247,512	0	24.91%
Total Costs	$5,447,293	$6,666,494	$6,678,888	$12,394	$6,653,133	$6,631,745	$21,388-	22.61%
Fund Sources								
General Fund	1,523,880	941,725	1,191,796	250,071	789,139	1,033,252	244,113	-21.79%
State Revenue Fund	3,412,803	5,039,524	4,748,216	291,308-	5,177,593	4,857,878	319,715-	39.13%
Federal Revenue Fund	282,134	380,721	442,633	61,912	380,794	443,341	62,547	56.89%
Proprietary Fund	7,799	11,218	11,198	20-	11,271	11,251	20-	43.58%
Expendable Trust Fund	220,677	293,306	285,045	8,261-	294,336	286,023	8,313-	29.17%
Total Funds	$5,447,293	$6,666,494	$6,678,888	$12,394	$6,653,133	$6,631,745	$21,388-	22.61%

Agency Description

Article XII, Section 1 of the Montana Constitution requires the legislature to establish the Department of Agriculture. The department is organized into four divisions: Centralized Services, Environmental Management, Plant Industry, and Agricultural Development. The department was established to encourage and promote the interests of agricultural and allied industries in Montana. It collects and publishes agricultural production and marketing statistics relating to agricultural products; assists, encourages, and promotes the organization of farmers' institutes, agricultural societies, fairs, and other exhibitions of agriculture; adopts standards for grade and other classifications of farm products; coordinates in devising and maintaining economical and efficient marketing distributions systems; gathers and distributes marketing information concerning supply, demand, price, and movement of farm products; and administers regulations pertaining to production and marketing of food and fiber products.

Budget

The increase of 8.71 FTE in fiscal 1992 and 8.76 in fiscal 1993 reflects the following changes: 1) 2.0 FTE each year from the budget modification in the Grain Laboratory Program; 2) 2.26 increase between fiscal 1990 and 1991 for program expansions in the Environmental Management Division authorized by the 1989 legislature; 3) 3.12 FTE in fiscal 1992 and 3.5 FTE in fiscal 1993 for groundwater and pesticide budget modifications in the Environmental Management Division; 4) 0.33 FTE added in the Plant Industry

DEPARTMENT OF AGRICULTURE

Division for fiscal 1992 from enactment of House Bill 66, which revises bee inspection procedures; and 5) a net increase of 1.0 FTE over fiscal 1990 from the enactment of Senate Bill 3, which extends the sunset of the Agricultural and Counseling program to July 1, 1993.

The 15.5 percent increase in personal services reflects the budget modifications which add $122,165 in fiscal 1992 and $130,436 in fiscal 1993 and continuation of the fiscal 1991 pay plan increase in the 1993 biennium. Senate Bill 3 adds $49,619 in fiscal 1992 and $50,513 in fiscal 1993 to continue operation of the Agricultural Assistance and Counseling program. The legislature implemented a 4 percent across-the-board reduction in agency funding for personal services of $111,686 in fiscal 1992 and $111,766 in fiscal 1993. The pay plan increase for fiscal 1992 and fiscal 1993 (House Bill 509) is not included in the table above or in the program tables. In Volume I of this report in the "Pay Plan" section is a description of the pay plan increase and a table showing allocations to each agency.

Operating expenses increase 38.5 percent from: 1) budgeting expenses at fiscal 1991 appropriated levels, which adds $61,436 in fiscal 1992 and $54,468 in fiscal 1993; 2) a $25,324 increase in fiscal 1992 and $30,133 in fiscal 1993 in the Grain Laboratory's operational budget; 3) budget modifications which add $185,557 in fiscal 1992 and $212,763 in fiscal 1993; 4) a $27,803 program expansion from fiscal 1990 to 1991 in the Environmental Management Division authorized by the 1989 legislature; 5) $14,000 per year in increased dues for the Wheat and Barley Committee; 6) a $6,500 per year increase in the Alfalfa Seed Committee; and 7) $112,037 in fiscal 1992 and $111,360 in fiscal 1993 added by House Bill 66 and Senate Bill 3.

The increased equipment budget reflects the agency's request. In addition, budget modifications add $103,978 in fiscal 1992 and $46,250 in fiscal 1993.

Grants increase 24.9 percent due to increases of: 1) $17,081 per year in vertebrate pests grants; 2) $137,562 per year in noxious weed control grants; 3) $371,453 per year in Wheat and Barley Committee grants; 4) $2,600 per year in Agricultural Finance program grants; and 5) a decrease of $81,064 in statutory appropriated grants and grants now classified as operating expenses, which no longer require appropriations.

DEPARTMENT OF AGRICULTURE

Budget Modifications

	Executive				Legislative			
Modification Type	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93
1) Grain Lab Increase	2.00	2.00		$107,058	2.00	2.00		$103,576
2) Pesticide Program Workload	1.18	1.25	($786,867)	142,943	1.18	1.25		116,048
3) Groundwater Program Workload	1.94	2.25	(324,981)	699,274	1.94	2.25		581,525
Total	5.12	5.50	($1,111,848)	$949,275	5.12	5.50	0	$801,149

These budget modifications are described in the program narratives.

Other Legislation

	Fiscal 1992			Fiscal 1993		
Bill No./Description	FTE	General Fund	Total Funds	FTE	General Fund	Total Funds
HB 10 - Oil Overcharge *	0.00	$0	$200,000	0.00	$0	$0

* Biennial Appropriation

HB 10 - Oil Overcharge - The legislation provides appropriation from the stripper well payments to continue the collection and distribution of biological agents to control leafy spurge and spotted knapweed.

Funding

The 21.8 percent decrease in general fund is due to enactment of House Bill 964. This legislation increases pesticide registration fees and directs the deposits of revenue from pesticide registration fees, licenses, and other fees to a state special revenue account instead of the general fund. Budget modifications in the Environmental Management Division are funded with fee increases contained in this legislation. State special revenue funding increases because of: 1) the funding change in the Environmental Management Division contained in House Bill 964; 2) program increases and the budget modification in the Grain Laboratory program funded with

grain service fees; 3) increased vertebrate and noxious weed control grants in the Environmental Management Division; 4) increases due to enactment of Senate Bill 3 and House Bill 66; and 5) increased Wheat and Barley Committee grants funded with wheat and barley sales tax revenue. Increased federal revenue reflects larger Environmental Protection Agency's grants that fund pesticide related programs in the Environmental Management Division. Part of this increase is a $69,000 grant used to fund a portion of the groundwater budget modification. Expendable trusts fund the Agricultural Finance and Hail Insurance programs.

CENTRALIZED SERVICES DIVISION

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	10.00	10.00	10.00	.00	10.00	10.00	.00	.00
Personal Services	300,638	354,395	340,219	14,176-	354,530	340,349	14,181-	13.17%
Operating Expenses	75,250	90,223	103,589	13,366	90,734	77,368	13,366-	37.66%
Equipment	4,775	4,940	4,940	0	5,475	5,475	0	3.46%
Total Costs	$380,663	$449,558	$448,748	$810-	$450,739	$423,192	$27,547-	17.89%
Fund Sources								
General Fund	194,313	86,385	202,644	116,259	84,638	177,241	92,603	4.29%
State Revenue Fund	168,718	303,307	188,091	115,216-	306,245	188,060	118,185-	11.48%
Federal Revenue Fund	17,632	25,287	24,504	783-	25,277	24,448	829-	38.97%
Expendable Trust Fund	0	34,579	33,509	1,070-	34,579	33,443	1,136-	.00%
Total Funds	$380,663	$449,558	$448,748	$810-	$450,739	$423,192	$27,547-	17.89%

Program Description

The Centralized Services Division performs technical, fiscal, and administrative support functions of the department's internal operations and related programs. Responsibilities include accounting, budgeting, payroll, personnel, purchasing, property control, data processing, systems analysis and computer programming, equal opportunity administration, and legal support to all programs within the department. Included in this division is the director's office, which provides overall policy development for the department. Attached as a unit to the director's office is the State Grain Laboratory, which was recently transferred from the Plant Industry Division.

Budget

Personal services are 13.2 percent higher than fiscal 1990 actual expenditures due to vacancy savings in fiscal 1990 and the fiscal 1991 pay plan increase continuing in the 1993 biennium. In addition, expendable trust expenditures of $30,528 are not included in fiscal 1990. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of $14,176 in fiscal 1992 and $14,181 in fiscal 1993.

Operating expenses, which are funded at the fiscal 1991 appropriated level, account for an increase of $1,606 in fiscal 1992 and $2,118 in fiscal 1993. Audit costs of $26,733 are budgeted in fiscal 1992 as a biennial appropriation.

CENTRALIZED SERVICES DIVISION

Equipment, which was approved at the agency's request, includes a facsimile machine, three computers, two printers, software, and office furniture.

Funding

This program is funded by assessments on revenue sources which support the department's programs. The percentage rates of 19.24 for fiscal 1992 and 19.28 for fiscal 1993 are applied against the personal services of each program and charged to each account. These percentages are determined by the ratio of the central services budget to the sum of the agency's total personal services and 2.5 percent of grants. Hail and rural development expendable trust accounts are included in these assessments in accordance with a 1989 amendment that requires temporary appropriations for expenditure of administrative costs from expendable trusts. The appropriation from the expendable trusts are listed under "other" in the appropriations bill. The legislature specifically directed the assessment against the anhydrous ammonia account but excluded the alfalfa seed account from the assessment. Departmental personal services funded from the federal account are assessed a rate of 19.56 percent, which is consistent with prior fiscal year rates. Also included in this program's funding is a rate of 2.5 percent assessment on grants administered by the department. General fund finances the balance of the program's budget above the assessments. The legislature considered but did not approve an Executive Budget modification which would replace general fund with assessments on the pesticide management account created by House Bill 964. Therefore, general fund support of the Central Services Division remains the same even with the enactment of House Bill 964.

STATE GRAIN LABORATORY

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	.00	15.50	15.50	.00	15.50	15.50	.00	15.50
Personal Services	373,602	411,243	394,793	16,450-	411,442	394,985	16,457-	5.67%
Operating Expenses	60,863	86,187	86,187	0	90,996	90,996	0	41.61%
Equipment	41,960	39,500	39,500	0	16,000	16,000	0	-5.86%
Total Costs	$476,425	$536,930	$520,480	$16,450-	$518,438	$501,981	$16,457-	9.25%
Fund Sources								
State Revenue Fund	476,425	536,930	520,480	16,450-	518,438	501,981	16,457-	9.25%
Total Funds	$476,425	$536,930	$520,480	$16,450-	$518,438	$501,981	$16,457-	9.25%

Program Description

The State Grain Laboratory program, a newly-created program transferred from the Plant Industry Division, provides grades, protein determinations, malting barley germinations, and falling number tests for contract settlement prices between buyers and sellers of grain crops in Montana.

Budget

In fiscal 1990, a department reorganization transferred the grain laboratory function from the Plant Industry Division and created the Grain Laboratory program. The 1989 legislature authorized 11.0 FTE for this program when it was part of the Plant Industry Division. With the reorganization, 12.0 FTE were transferred. Personal services expenditures in fiscal 1990 reflect $75,697 of hourly wages used to fund 1.5 modified FTE. The legislature approved the transfer of 1.5 FTE from other departmental programs in lieu of the hourly wages to assist with the increased workload. In addition, the budget modification adds 2.0 FTE and $41,804 in fiscal 1992 and $41,772 in fiscal 1993. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of $16,450 in fiscal 1992 and $16,457 in fiscal 1993.

The legislature increased operating expenses by 41.6 percent from fiscal 1990 actual expenditures to fund an increased workload.

Equipment, which was approved at the agency's request, includes eight computers, two printers, two dockage testers, three scales and other laboratory and office equipment. In addition, the budget modification adds $20,000 in fiscal 1992 for purchase of laboratory equipment to determine percentage of oil content in canola, flaxseed, sunflower seed, rapeseed, and safflower seed.

STATE GRAIN LABORATORY

Budget Modification

	Executive				Legislative			
Modification Type	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93
1) Grain Lab Increase	2.0	2.0	$0	$107,058	2.0	2.0	$0	$103,576

1) The Grain Lab Increase budget modification funds 2.0 FTE as grain inspectors for grain grading. These inspectors were added to meet an increase in demand for services from the grain industry and are funded with additional fee revenue generated.

Funding

The program is funded entirely with grain service fees charged to grain producers and the grain industry for providing grading, protein, dockage, and falling number tests on a variety of major grains and specialty crops. In response to a legislative audit, protein and official sample fees were reduced in fiscal 1991.

ENVIRONMENTAL MANAGEMENT DIVISION

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	26.24	33.54	33.54	.00	33.92	33.92	.00	7.30
Personal Services	711,932	955,152	916,945	38,207-	963,511	924,970	38,541-	28.80%
Operating Expenses	248,488	488,060	464,192	23,868-	543,000	508,266	34,734-	86.81%
Equipment	142,534	196,000	152,000	44,000-	130,028	95,028	35,000-	6.64%
Grants	1,088,051	1,242,694	1,242,694	0	1,245,576	1,245,576	0	14.21%
Total Costs	$2,191,005	$2,881,906	$2,775,831	$106,075-	$2,882,115	$2,773,840	$108,275-	26.69%
Fund Sources								
General Fund	697,905	224,127	304,796	80,669	77,766	181,644	103,878	-56.33%
State Revenue Fund	1,282,873	2,323,489	2,144,746	178,743-	2,470,021	2,265,983	204,038-	67.18%
Federal Revenue Fund	210,227	334,290	326,289	8,001-	334,328	326,213	8,115-	55.21%
Total Funds	$2,191,005	$2,881,906	$2,775,831	$106,075-	$2,882,115	$2,773,840	$108,275-	26.69%

Program Description

The Environmental Management Division administers, manages, coordinates, and evaluates the major activities of: 1) pesticide and pest management; 2) analytical laboratory services; 3) weed management (transferred from the Agricultural Development Program); 4) agricultural chemical groundwater management; and 5) vertebrate pest management. This program administers the Montana Pesticides Act, Agricultural Chemical Groundwater Protection Act, Crop Insect Detection Act, Vertebrate Pest Management Act, Noxious Weed Trust Fund Act, elements of the Weed Assistance Act, and the department's Chemical Analytical Laboratory.

Language

"If House Bill No. 964 is not passed and approved, the general fund appropriation in [Environmental Management Division] is increased by $388,254 in fiscal 1992 and state special revenue is decreased by $388,254 in fiscal 1992, and general fund is increased by $515,919 in fiscal 1992 and state special revenue is decreased by $515,919 in fiscal 1993." House Bill 964 was enacted.

"[Pesticide Program Workload] contains $57,086 in fiscal 1992 and $58,962 for an increase in the pesticide program. [Ground Water Program Workload] contains $292,810 in fiscal 1992 and $288,715 in fiscal 1993 for an increase in the ground water program. These appropriations are contingent on enactment of House Bill 964". House Bill 964 was enacted.

ENVIRONMENTAL MANAGEMENT DIVISION

Budget

The 7.3 FTE increase and 28.8 percent personal services increase are due to: 1) vacancy savings experienced in fiscal 1990; 2) continuation of the fiscal 1991 pay plan in the 1993 biennium; 3) the increase of 1.92 FTE due to transfer of the Noxious Weed Control program from the Agricultural Development Division in fiscal 1991; 4) a 2.26 FTE increase between fiscal 1990 and 1991 for program expansions authorized by the 1989 legislature; 5) $8,797 in fiscal 1992 and $8,789 in fiscal 1993 to fund upgrades for Pesticide Specialists; and 6) 3.12 FTE and $80,361 in fiscal 1992, and 3.5 FTE and $92,358 in fiscal 1993 associated with the two budget modifications. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of $38,207 in fiscal 1992 and $38,541 in fiscal 1993.

The 86.8 percent increase in operating expenses reflects: 1) a $27,803 program expansion from fiscal 1990 to 1991 in the groundwater program as authorized by the 1989 legislature; 2) $10,301 in fiscal 1992 and $7,492 in fiscal 1993 in operating expenses funded at fiscal 1991 appropriated levels; and 3) budget modifications for $185,557 in fiscal 1991 and $212,763 in fiscal 1993.

Equipment, which reflects the agency's request, includes $51,700 in fiscal 1992 and $45,300 in fiscal 1993 for laboratory equipment to purchase a Varian data system to generate pesticide chromatograms, a high pressure liquid chromatograph system, and various other analytical devices. Budget modifications add $83,978 in fiscal 1992 and $46,250 in fiscal 1993.

Increased grant appropriations are from a $17,081 per year increase in vertebrate pests grants and a $137,562 increase in noxious weed control grants. The 1989 legislature increased the weed vehicle fee from $.50 to $1.50, making additional revenue available for grants.

Budget Modifications

	Executive				Legislative			
Modification Type	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93
1) Pesticide Program Workload	1.18	1.25	($786,867)	$142,943	1.18	1.25		$116,048
2) Groundwater Program Workload	1.94	2.25	(324,981)	699,274	1.94	2.25		581,525
Total	3.12	3.50	($1,111,848)	$842,217	3.12	3.50	$0	$697,573

ENVIRONMENTAL MANAGEMENT DIVISION

House Bill 964 raises pesticide registration fees from $90 per product to $150. The portion of the fee used to fund the pesticide program decreases from $75 to $70 and the portion used to fund the groundwater program increases from $15 to $80. The legislation also creates a state special revenue pesticide management account which will receive licensing, permit, registration fees, and investment income. Previously, these funds (approximately $520,000 per year) were deposited into the general fund. The negative general fund in the table above represents a funding shift from general fund to the new state special revenue account, which is used to fund the budget modifications and a portion of the existing groundwater and pesticide programs. Federal funds received from the Environmental Protection Agency (EPA) to fund pesticide related programs are expected to increase in the 1993 biennium. A federal EPA grant of $69,000 is used to fund a portion of the groundwater modification.

1) The Pesticide Program Workload budget modification would fund portions of a chemist and pesticide specialist positions to handle the growing number and complexity of pesticide investigations and to analyze the increased number of pesticide samples.

2) The Groundwater Program Workload budget modification would fund the remaining portions of the positions mentioned above plus a groundwater specialist. In addition, the program's educational and preventive efforts would be expanded and specific management plans at several sites would be monitored.

Funding

The program's largest funding source is state special revenue collected from noxious weed vehicle registration fees, herbicide surcharges, and commercial feed and fertilizer registration and inspection fees. Also included in state special revenue are licensing, permits, and pesticide registration fees which are now designated as state special revenue with the enactment of House Bill 964. The decrease in general fund reflects the funding change of these revenue sources that are no longer deposited in the general fund. General fund support of this program is $125,792 greater in fiscal 1992 because revenue from the fees is not received until mid-fiscal 1992.

Under previous law, approximately $520,000 per year from these fees were deposited in the general fund.

PLANT INDUSTRY DIVISION

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	30.09	16.96	17.29	.33	16.96	16.96	.00	-12.80
Personal Services	422,505	472,007	458,336	13,671-	471,998	453,118	18,880-	8.48%
Operating Expenses	107,850	138,331	140,528	2,197	141,174	142,694	1,520	30.30%
Equipment	18,694	14,255	14,255	0	14,255	14,255	0	-23.75%
Total Costs	$549,049	$624,593	$613,119	$11,474-	$627,427	$610,067	$17,360-	11.67%
Fund Sources								
General Fund	434,678	456,751	448,926	7,825-	457,280	443,564	13,716-	3.28%
State Revenue Fund	102,461	147,480	143,851	3,629-	149,687	146,063	3,624-	40.40%
Federal Revenue Fund	4,111	9,144	9,144	0	9,189	9,189	0	122.43%
Proprietary Fund	7,799	11,218	11,198	20-	11,271	11,251	20-	43.58%
Total Funds	$549,049	$624,593	$613,119	$11,474-	$627,427	$610,067	$17,360-	11.67%

Program Description

The Plant Industry Division administers agricultural programs relating to the production, manufacturing, and marketing of commodities exported from or distributed in the state. The division provides services to industry by: 1) performing professional insect/disease surveys; 2) performing medicated feed mill inspections; 3) issuing official grade commodity certificates; 4) issuing dealer licenses/permits; 5) registering products; and 6) performing analytical analyses of bees, seeds, fertilizer, feed, and grains. Program staff provide technical/scientific information upon request to industry and the general public. Staff investigate and resolve consumer complaints ranging from product contamination and quality control to elevator bankruptcies and non-payment for products. The state grain laboratory was transferred from this program to a new State Grain Laboratory Program in fiscal 1991.

Budget

The 12.8 decrease in FTE is from the: 1) transfer of 12.0 FTE to the Grain Laboratory program in fiscal 1991; 2) legislative approval of a transfer of an additional 1.13 FTE to the Grain Laboratory program; and 3) enactment of House Bill 66 which requires the addition of 0.33 FTE in fiscal 1992 for an agricultural inspector to qualify beekeepers for compliance agreements. Although the fiscal 1990 actual FTE reflect the presence of grain lab personnel, the personal services expenditures include only those staff not transferred to the grain lab.

PLANT INDUSTRY DIVISION

The 8.5 percent increase in personal services is the result of vacancy savings experienced in fiscal 1990 and the fiscal 1991 pay plan increase which is continued into the 1993 biennium. Enactment of House Bill 66, which revises bee inspections and allows the department to charge an hourly inspection fee, added $5,209 in personal services in fiscal 1992 only. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of $19,097 in fiscal 1992 and $18,800 in fiscal 1993.

Operating expenses, which are budgeted at fiscal 1991 appropriated levels, increase 30.3 percent. In addition, funding for House Bill 66 added $2,197 in fiscal 1992 and $1,520 in fiscal 1993.

Equipment, which was approved at the agency's request, includes a vehicle and a computer each year.

Funding

General fund finances the majority of this program. The 3.3 percent increase in general fund reflects funding at fiscal 1991 appropriated levels plus $7,406 in fiscal 1992 and $1,520 in fiscal 1993 for House Bill 66. Under House Bill 66, approximately $23,400 of additional revenue from apiary inspection fees will be deposited in the general fund in the 1993 biennium.

State special revenues consist of commercial feed and fertilizer registration and inspection fees, mint assessments, wheat and barley sales taxes, and anhydrous ammonia inspection fees. Federal funds are from the market service account, which completely finances the medicated feed program. The proprietary funding is collected from alfalfa leaf cutter bee assessments.

AGRICULTURAL DEVELOPMENT

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	24.00	20.71	22.71	2.00	20.71	22.71	2.00	-1.29
Personal Services	513,099	543,294	570,131	26,837	542,643	568,966	26,323	11.12%
Operating Expenses	616,792	624,937	742,303	117,366	626,535	745,463	118,928	20.35%
Equipment	11,313	3,340	6,340	3,000	3,300	6,300	3,000	-43.96%
Grants	708,947	1,001,936	1,001,936	0	1,001,936	1,001,936	0	41.33%
Total Costs	$1,850,151	$2,173,507	$2,320,710	$147,203	$2,174,414	$2,322,665	$148,251	25.43%
Fund Sources								
General Fund	196,984	174,462	235,430	60,968	169,455	230,803	61,348	19.52%
State Revenue Fund	1,382,326	1,728,318	1,751,048	22,730	1,733,202	1,755,791	22,589	26.67%
Federal Revenue Fund	50,164	12,000	82,696	70,696	12,000	83,491	71,491	64.85%
Expendable Trust Fund	220,677	258,727	251,536	7,191-	259,757	252,580	7,177-	13.98%
Total Funds	$1,850,151	$2,173,507	$2,320,710	$147,203	$2,174,414	$2,322,665	$148,251	25.43%

Program Description

The Agriculture Development Division administers programs to promote Montana agriculture through market development and enhancement. Assistance is given toward commercialization of traditional as well as innovative agricultural products and processes. The program provides support to the Alfalfa Seed Committee, the Montana Wheat and Barley Committee, the Montana Agricultural Development Council. The division is comprised of the Marketing, Rural Development, and Wheat and Barley Bureaus.

Language

"The department is authorized to make grants to state agencies from the Growth Through Agriculture account as approved by the Montana Agriculture Development Council in accordance with title 90, chapter 9, MCA. The state agency that receives a grant from the Montana Agriculture Development Council is authorized additional appropriation authority equal to the grant amount".

"The department shall report to the legislative finance committee during fiscal 1992 on the feasibility of the department selling its portfolio of rural assistance program loans to the board of investments, thus enabling it to increase its loan capability."

AGRICULTURAL DEVELOPMENT

Budget

The 1.29 decrease in FTE is the net result of: 1) transfer of 1.92 FTE from the noxious weed program to the Environmental Management Division in fiscal 1990; 2) 1.0 FTE net increase from the enactment of Senate Bill 3, which extends the Agricultural Assistance and Counseling program; and 3) transfer of 0.37 FTE to the Grain Laboratory program. The scheduled sunset of the Agricultural Assistance and Counseling program on July 1, 1991 would have decreased FTE by 1.0. The legislature approved the addition of 2.0 FTE and $49,554 in fiscal 1992 and $50,513 in fiscal 1993 for the program. Personal services reflect per diem and overtime budgeted at fiscal 1991 appropriated levels. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of $23,756 in fiscal 1992 and $23,707 in fiscal 1993.

The 20.4 percent increase in operating expenses is due to: 1) $14,000 increase in dues for new membership in the Barley Foods Council and increased participation to ensure a seat on the board of the Wheat Foods Council; 2) $109,840 per year from Senate Bill 3; 3) $6,500 per year in consulting services for the Alfalfa Seed Committee; and 4) approval of fiscal 1991 appropriated level as a base for operating expenses.

Equipment reflects the agency's request (two computers, office equipment, and software) in addition to $3,000 per year for the Agricultural Assistance and Counseling program.

Grants increase 41.3 percent over fiscal 1990 due to: 1) a decrease of $17,132 of Young Agricultural Couples Conference expenses now classified as operating expenses; 2) exclusion of $63,932 of grants by the Agriculture Development Council which were appropriated by the 1989 legislature but not by the 1991 legislature because they are statutorily appropriated by Section 90-9-306, MCA; 3) an increase of $371,453 per year of grants by the Wheat and Barley Committee; and 4) $2,600 per year for grants in the Agricultural Finance program.

Funding

The program is funded mostly with special state revenue consisting of wheat and barley sales taxes, a portion of coal severance tax collections, and alfalfa seed assessments. The following table details the program funding.

AGRICULTURAL DEVELOPMENT

Table 1
Agricultural Development Program Funding

Fiscal 1992	Admin.	Ag. Assist. & Counseling	Alfalfa Seed	Ag. Finance	Hail Ins.	Ag. Marketing	Ag. Stats.	Ag. Devl. Council	Wheat & Barley	Total Funds
General Fund	$52,577	$66,175	$0	$0	$0	$47,357	$69,321	$0	$0	$235,430
State Special										
Wheat & Barley Research	0	0	0	0	0	3,603	30,783	0	1,556,558	1,590,944
Ag. in Montana Schools	8,238	0	0	0	0	0	0	0	0	8,238
Counseling and Mediation	0	25,186	0	0	0	0	0	0	0	25,186
Growth Through Ag.	0	0	0	0	0	0	0	98,297	0	98,297
Alfalfa Seed	0	0	28,383	0	0	0	0	0	0	28,383
Ag. Donations	0	0	0	0	0	0	0	0	0	0
Federal Funds										
Marketing Service	0	71,074	0	0	0	0	11,622	0	0	82,696
Expendable Trusts										
Hail Insurance	0	0	0	0	172,660	0	0	0	0	172,660
Rural Development	0	0	0	78,876	0	0	0	0	0	78,876
Total Fiscal 1992 Funding	$60,815	$162,435	$28,383	$78,876	$172,660	$50,960	$111,726	$98,297	$1,556,558	$2,320,710
Fiscal 1993										
General Fund	$52,888	$66,395	$0	$0	$0	$47,451	$64,069	$0	$0	$230,803
										0
State Special										
Wheat & Barley Research	0	0	0	0	0	3,603	30,780	0	1,556,460	1,590,843
Ag. in Montana Schools	8,238	0	0	0	0	0	0	0	0	8,238
Counseling and Mediation	0	25,192	0	0	0	0	0	0	0	25,192
Growth Through Ag.	0	0	0	0	0	0	0	98,216	0	98,216
Alfalfa Seed	0	0	28,460	0	0	0	0	0	0	28,460
Ag. Donations	0	0	0	0	0	0	4,842	0	0	4,842
Federal Funds										
Marketing Service	0	71,870	0	0	0	0	11,621	0	0	83,491
										0
Expendable Trusts										
Hail Insurance	0	0	0	0	173,971	0	0	0	0	173,971
Rural Development	0	0	0	78,609	0	0	0	0	0	78,609
Total Fiscal 1993 Funding	$61,126	$163,457	$28,460	$78,609	$173,971	$51,054	$111,312	$98,216	$1,556,460	$2,322,665

AGRICULTURAL DEVELOPMENT

General fund finances part of the administration of the division as well as portions of the Agricultural Assistance and Counseling, Agricultural Statistics and Agricultural Marketing programs. A general fund increase of $64,935 in fiscal 1992 and $64,895 in fiscal 1993 is added to fund a portion of Senate Bill 3. The federal funds are from the market services account which funds 10 percent of the Agricultural Statistics program. The expendable trust funds, which finance the Hail Insurance and Rural Development programs, include revenue from the hail insurance levy and interest earnings on rural development loans. The appropriations from these account are listed as "other" in House Bill 2.

DEPARTMENT OF COMMERCE

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	335.20	315.21	348.30	33.09	315.21	350.80	35.59	13.10
Personal Services	9,056,380	9,809,586	10,439,260	629,674	9,803,218	10,515,060	711,842	15.27%
Operating Expenses	19,362,023	17,368,078	18,256,185	888,107	16,900,847	17,535,254	634,407	-5.71%
Equipment	259,607	544,341	629,701	85,360	159,487	180,063	20,576	142.56%
Local Assistance	1,356,087	1,118,676	1,601,882	483,206	1,118,676	1,920,088	801,412	18.13%
Grants	18,332,776	26,024,979	28,262,454	2,237,475	26,341,989	25,961,658	380,331-	54.16%
Transfers	1,183,819	146,113	156,113	10,000	145,949	155,949	10,000	-86.81%
Debt Service	191,492	0	0	0	0	0	0	-100.00%
Total Costs	$49,742,184	$55,011,773	$59,345,595	$4,333,822	$54,470,166	$56,268,072	$1,797,906	19.31%
Fund Sources								
General Fund	2,699,403	2,842,195	3,392,537	550,342	2,764,196	3,100,175	335,979	25.68%
State Revenue Fund	13,408,936	14,633,604	16,791,141	2,157,537	14,720,957	15,036,226	315,269	25.22%
Federal Revenue Fund	17,083,120	23,734,106	25,212,836	1,478,730	23,733,248	24,705,245	971,997	47.59%
Proprietary Fund	16,550,725	13,801,868	13,949,081	147,213	13,251,765	13,426,426	174,661	-15.72%
Total Funds	$49,742,184	$55,011,773	$59,345,595	$4,333,822	$54,470,166	$56,268,072	$1,797,906	19.31%

Agency Description

The Department of Commerce, established in 1981 by combining the functions of several state agencies, is responsible for encouraging and promoting commerce-related activities in Montana through a wide spectrum of programs. These programs relate to four major areas: 1) economic development and promotion; 2) assistance to local governments; 3) public safety; and 4) assistance to individuals. In the first area, programs are designed to foster stable, diversified economic development by providing various types of assistance to businesses wishing to develop or expand within the state and internationally. Included are the Business Development Division, Pacific Rim Office, Montana Promotion Division, Montana Health Facility Authority, Board of Investments, Montana Science and Technology Alliance, and the Office of Research & Information Services. The local government assistance programs include the Local Government Assistance Division, Community Technical Assistance Program, Community Development Block Grant Program, Hard Rock Mining Board, Coal Board, Local Government Audit Program, Local Government Systems Program, Transportation Division, and Aeronautics Division. The 1991 legislature transferred the District Court Reimbursement Program to the Supreme Court Administrator. The public safety area includes programs responsible for activities related to public safety. Programs include Professional and Occupational Licensing, Milk Control, Weights and Measures, Building Codes, Financial Institutions Division, and the Board of Horse Racing.

DEPARTMENT OF COMMERCE

Assistance to individuals is provided through the Board of Housing, Consumer Affairs Unit, and Section 8 housing programs. The Montana Lottery and the Coordinator of Indian Affairs programs are also in the department.

Budget

The agency's budget increases 19.3 percent or $9.60 million in fiscal 1992. Approximately $7.52 million of this increase in fiscal 1992 is the approved budget modifications. Due to enacted legislation (House Bill 864), the District Court function of the Local Government Systems - Services Program has been transferred to the Supreme Court Administrator. Therefore, FTE, actual fiscal 1990 expenditures, Executive recommendation and legislative approved budgets for the District Court function are not reflected in the main or program tables.

Personal services show a net 13.1 FTE increase which reflects the addition of 18.1 FTE modified positions offset by elimination of 5.0 FTE. Personal services increase 15.3 percent because of the FTE increase, the continuation of the fiscal 1991 pay plan in the 1993 biennium, and vacancy savings in fiscal 1990. The legislature implemented a 4 percent across-the-board reduction in agency funding for personal services of $431,217 in fiscal 1992 and $434,378 in fiscal 1993. The pay plan increase for fiscal 1992 and fiscal 1993 (House Bill 509) is not included in the table above or in the program tables. In Volume I of this report in the "Pay Plan" section is a description of the pay plan increase and a table showing allocations to each agency.

While operating expenses show a 5.7 percent decrease, this is misleading. In the Montana Promotions and Lottery programs, approximately $5.5 million of operating expenses are statutorily appropriated and, thus, are not included in the 1993 biennium totals shown above. However, expenditures from these statutory appropriations are shown in the fiscal 1990 column. After adjustments are made for this, operating expenses increase 31.7 percent. Operating costs increase because of the budget modifications and because fiscal 1991 appropriations were adopted as the budget base, which are higher than fiscal 1990 actual expenditures.

Local assistance and grants reflect increases in anticipated federal funds.

Transfers show an 86.8 percent decrease, due to the one-time transfer of coal tax to the Department of Highways in fiscal 1990 for the Decker-Busby highway project.

The Executive Budget proposed to reorganize the Department of Commerce and transfer the Aeronautics and Transportation divisions to a newly created Department of Transportation. Legislation implementing the reorganization (Senate Bill 164) has been enacted.

DEPARTMENT OF COMMERCE

Budget Modifications

	Executive				Legislature			
Modification Type	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93
1) Equipment Replacement			$83,739	$83,739			$83,739	$83,739
2) Bank Analysis Computers				32,223				32,223
3) Impairment Program-Dentists				50,000				50,000
4) POL Miscellaneous Legislation					3.1	3.1		488,786
5) W. Yellowstone Airport Maint.*				17,000				17,000
6) Local Rail Service Grant*				500,000				500,000
7) Montana Products Directory				70,000				70,000
8) Defense Logistics Contract	4.0	4.0		328,533	4.0	4.0		319,208
9) EDA/CBDG Revolving Loan	1.0	1.0		340,905	1.0	1.0		338,848
10) Canadian Trade Office	1.0	1.0	29,557	139,557			29,557	139,557
11) International Affairs Coord.	1.0	1.0	80,158	110,158	1.0	1.0	77,921	107,084
12) SBDC Increase **				175,000				175,000
13) Revision MT Capital Co.-HB901					1.0	1.0		81,770
14) MT Promotions Division				2,386,262				2,386,262
15) Section 8 Grant Increase				2,000,780				2,000,780
16) Automation of Census	1.0	1.0	117,730	117,730	1.0	1.0	115,327	115,327
17) Local Gov't Peer Review				10,000				10,000
18) Single Audit Act-HB328					1.5	2.5		287,996
19) Vehicle Replacement				191,424				191,424
20) EEO Grant-Indian Affairs				106,000	2.5	3.0		194,528
21) R & D Loans-SB242					1.0	1.0	100,000	100,000
22) Additional FTE BOI/HFA	1.0	1.0		45,069	1.0	1.0		43,267
23) Investment Portfolio Mgrs.				0	1.0	2.0		138,546
24) Montana Lottery				6,742,565				6,742,565
25) Vehicle Replacement				55,500				55,500
Total	9.0	9.0	$311,184	$13,502,445	18.1	20.6	$406,544	$14,669,410

* Included in Department of Transportation in Executive Budget.
** Included in the revised Executive Budget (not reflected in program table under Executive column).

DEPARTMENT OF COMMERCE

The budget modifications shown in the table above are described in program narratives.

Other Legislation

Bill No./Description	Fiscal 1992 FTE	Fiscal 1992 General Fund	Fiscal 1992 Total Funds	Fiscal 1993 FTE	Fiscal 1993 General Fund	Fiscal 1993 Total Funds
HB 131 - Burial Site Protection Act*		$10,000	$10,000			
HB 477 - Microbusiness Devl. Act**		64,600	3,314,500			
HB 746 - Indian Monument and Flag*		6,000	6,000			
HB 953 - Cosmetology Inspections	1.00		37,583	1.00		36,997
HB 990 - L & C Interpretive Center*		700,000	700,000			
HB 1010- Hard Rock Mining Reserve***			100,000			
Totals	1.00	$780,600	$4,168,083	1.00		$36,997

* Biennial Appropriation
** Non-general funds of $3,250,000 are a biennial appropriation.
***Time period for the appropriation not specified.

HB 131 - Burial Site Protection Act - The legislature provided for a biennial appropriation to the newly created Burial Preservation Board to pay expenses for board meetings or expenses incurred in conducting field reviews. The legislation create and statutorily appropriates funds from a state special revenue account into which are deposited fees, grants or donations. The legislation provides for a $50 permit for scientific analysis of human skeletal remains or burial material from burial sites.

HB 477 - Microbusiness Development Act - The legislature provided for a $3,250,000 biennial appropriation from the in-state investment fund for the microbusiness finance program. The program may make loans up to $250,000 to certified microbusiness development corporations which may use the funds for: 1) matching requirements for other state, federal, or private grants; 2) revolving loans to qualified microbusinesses; and 3) guaranteeing loans by financial institutions to qualified microbusinesses. In addition, the legislature appropriated $64,600 general fund to pay costs of the program in fiscal 1992. Funds received as grants, donations, fees, and payments of interest on loans made by the department are statutorily appropriated.

HB 746 - Indian Monument and Flag - The legislature provided for a biennial appropriation to the Office of State Coordinator of Indian Affairs to erect a monument to american Indians and a Montana tribal flag circle at the capitol and to pay administrative expenses of the advisory committee.

DEPARTMENT OF COMMERCE

HB 953 - Cosmetology Inspections - The legislature provided an appropriation of: 1) $37,583 for fiscal 1992 consisting of $21,689 personal services to hire an 1.0 FTE inspector, $14,828 operations, and $1,066 equipment; and 2) $36,997 for fiscal 1993 consisting of $22,130 personal services to hire an 1.0 FTE inspector and $14,867 operations. Funds for the appropriation are received from fees paid by licensed cosmetologists and are to be used to conduct an annual inspection of each cosmetological establishment and manicuring shop in the state.

HB 990 - L & C Interpretive Center - The legislature provided a biennial appropriation of $700,000 general fund for the planning, design, and all phases of construction for the Lewis and Clark National Historic Trail Interpretive Center. The money, along with $300,000 of other funds, is to be used as a match to federally appropriated funds on an 8 to 1 basis. If the federal or other matching funds are not received by January 31, 1993, the general fund appropriation reverts to the general fund.

HB 1010 - Hard Rock Mining Reserve - The legislature provided for an appropriation of up to $100,000 to the hard-rock mining impact board from the hard-rock mining impact trust reserve account established by the legislation. Money in the hard-rock mining impact trust reserve account may be used for the administrative and operating expenses of the board. The legislation states that any money within the hard-rock mining impact trust account when the legislation is signed into law must be retained in the hard-rock mining impact trust reserve account.

PUBLIC SAFETY DIVISION

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	1.00	1.00	1.00	.00	1.00	1.00	.00	.00
Personal Services	53,742	55,816	53,583	2,233-	55,685	53,458	2,227-	-.30%
Operating Expenses	7,978	83,061	83,061	0	82,633	82,633	0	941.13%
Total Costs	$61,720	$138,877	$136,644	$2,233-	$138,318	$136,091	$2,227-	121.39%
Fund Sources								
State Revenue Fund	0	72,000	70,842	1,158-	72,000	70,841	1,159-	.00%
Proprietary Fund	61,720	66,877	65,802	1,075-	66,318	65,250	1,068-	6.61%
Total Funds	$61,720	$138,877	$136,644	$2,233-	$138,318	$136,091	$2,227-	121.39%

Program Description

The Public Safety program provides for the administration, management, and coordination of activities of the Building Codes Bureau, Milk Control Bureau, Professional and Occupational Licensing Bureau, and Bureau of Weights and Measures. The Board of Passenger Tramway Safety, created by the 1989 legislature, is included in the Professional and Occupational Licensing Program.

Budget

The budget increases by 121.4 percent due primarily to the inclusion of a $72,000 appropriation for legal services in operating expenses. This appropriation may only be used to provide legal services to the boards.

Personal services increase due to the continuation of the fiscal 1991 pay plan in the 1993 biennium. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of $2,233 in fiscal 1992 and $2,227 in fiscal 1993. Operating expenses reflect the contingent appropriation for legal costs and an increase of $2,100 for travel. There were no travel costs in fiscal 1990. No equipment was requested for the program.

Funding

The proprietary funds in this program represent revenues from assessments to the Milk Control Board, Weights and Measures Bureau, Building Codes Bureau, and the Professional and Occupational Boards. The contingent legal services appropriation will be funded by the license revenues from any of the boards that utilize these services.

WEIGHT & MEASURES BUREAU

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	12.00	11.00	11.00	.00	11.00	11.00	.00	-1.00
Personal Services	281,727	299,793	281,192	18,601-	300,109	281,512	18,597-	-.19%
Operating Expenses	119,342	128,671	128,671	0	127,465	127,465	0	7.82%
Equipment	8,500	82,386	82,386	0	24,353	24,353	0	869.25%
Total Costs	$409,569	$510,850	$492,249	$18,601-	$451,927	$433,330	$18,597-	20.19%
Fund Sources								
General Fund	409,569	510,850	492,249	18,601-	451,927	433,330	18,597-	20.19%
Total Funds	$409,569	$510,850	$492,249	$18,601-	$451,927	$433,330	$18,597-	20.19%

Program Description

The Weights and Measures program is responsible for licensing, testing, inspecting, and calibrating all weighing and measuring devices. In addition, the program is responsible for maintaining minimum specifications of all petroleum products, licensing all petroleum dealers in Montana, and enforcing laws and regulations relating to quantity of all prepackaged commodities.

Budget

The budget increases 20.2 percent with the majority of the increase due to the replacement equipment approved in the budget modification.

Personal services decrease 0.2 percent due to the 4 percent across-the-board reduction in funding for personal services implemented by the legislature of $11,716 in fiscal 1992 and $11,730 in fiscal 1993. In addition, the vacant bureau chief position (grade 17) was reduced from a step 11 to a step 2.

Operating expenses increase 7.8 percent primarily because the legislature approved the fiscal 1991 appropriated level as a budget base, which was higher than fiscal 1990 actual expenditures. Other increases include the addition of the network costs and audit costs, which are budgeted in fiscal 1992.

The equipment budget will allow the purchase of field monitoring equipment and the replacement equipment described below.

WEIGHT & MEASURES BUREAU

Budget Modification

	Executive				Legislature			
Modification Type	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93
1) Equipment Replacement	0.0	0.0	$83,739	$83,739	0.0	0.0	$83,739	$83,739

1) Equipment Replacement - This modification will allow replacement of automobiles, trucks, field monitoring equipment, and the purchase of a computer.

Funding

This program is supported by the general fund. The program collects fees for services which are deposited in the general fund. The revenue from the fees is equal to approximately 48 percent in fiscal 1992 and 55 percent in fiscal 1993 of the program costs. The enactment of House Bill 53, which increases the license fee paid by petroleum dealers, is expected to generate an additional $20,000 general fund each year.

FINANCIAL DIVISION

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	20.00	20.00	20.00	.00	20.00	20.00	.00	.00
Personal Services	524,014	614,255	589,685	24,570-	613,289	588,757	24,532-	12.53%
Operating Expenses	191,025	234,072	234,372	300	232,934	232,934	0	22.69%
Equipment	28,994	27,323	27,323	0	4,000	4,000	0	-5.76%
Total Costs	$744,033	$875,650	$851,380	$24,270-	$850,223	$825,691	$24,532-	14.43%
Fund Sources								
State Revenue Fund	744,033	875,650	851,380	24,270-	850,223	825,691	24,532-	14.43%
Total Funds	$744,033	$875,650	$851,380	$24,270-	$850,223	$825,691	$24,532-	14.43%

Program Description

The Financial Institution program is responsible for chartering and supervising the safety and soundness of state chartered banks and trust companies, savings and loan associations, and credit unions. It is responsible for licensing and supervising consumer loan companies, sales finance companies, and escrow companies. The program also examines the operations of certified capital companies, development corporations, certain loans of the Montana Board of Investments, and monitors prearranged funeral plans where funds are on deposit in Montana banks, savings and loans, or credit unions. The State Banking Board, which is responsible for making final determinations on applications for certificates of authorization for new banks, branch banks, mergers, consolidations, and relocations of banks and advising the director of the Department of Commerce on matters relating to banking, is administratively attached to this program.

Budget

Personal services increase 12.5 percent because of high vacancy savings in fiscal 1990 and continuation of the fiscal 1991 pay plan. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of $24,570 in fiscal 1992 and $24,532 in fiscal 1993.

Operating expenses increase 22.7 percent primarily because travel was increased by $16,000 per year. Fiscal 1990 travel expenditures were low due to staff vacancies. In addition, the legislature used the fiscal 1991 appropriation as the budget base, which is higher than fiscal 1990 expenditures. Other increases were for audit costs, network fees, and indirect costs assessed for the Management Services Division.

FINANCIAL DIVISION

The equipment budget decreases 5.8 percent. The 1993 biennium equipment budget includes the modified budget in the table below.

Budget Modification

	Executive				Legislature			
Modification Type	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93
1) Bank Analysis Computers	0.0	0.0	$0	$32,223	0.0	0.0	$0	$32,223

1) Bank Analysis Computers - This modification will allow the program to purchase computer equipment and software to enable them to use modern examination report formats.

Funding

Funding is from assessments paid by state-regulated financial institutions.

MILK CONTROL BUREAU

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	7.00	7.00	7.00	.00	7.00	7.00	.00	.00
Personal Services	182,978	193,098	185,374	7,724-	193,179	185,452	7,727-	1.31%
Operating Expenses	94,196	98,664	98,664	0	98,520	98,520	0	4.74%
Equipment	10,293	300	300	0	300	300	0	-97.09%
Total Costs	$287,467	$292,062	$284,338	$7,724-	$291,999	$284,272	$7,727-	-1.09%
Fund Sources								
State Revenue Fund	287,467	292,062	284,338	7,724-	291,999	284,272	7,727-	-1.09%
Total Funds	$287,467	$292,062	$284,338	$7,724-	$291,999	$284,272	$7,727-	-1.09%

Program Description

The Milk Control program is responsible for supervising, regulating, and controlling the milk industry of the state. All matters pertaining to production, processing, storage, distribution, and sale of milk are investigated. The program ensures compliance with state laws through minimum pricing, fair trade rules, extension of credit, and by enforcing financing prohibitions of the law.

Budget

The 1.3 percent increase in personal services results from the fiscal 1991 pay plan continuing into the 1993 biennium and vacancy savings experienced by the program in fiscal 1990. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of $7,724 in fiscal 1992 and $7,727 in fiscal 1993.

Operating expenses increase a net of 4.7 percent as a result of: 1) an increase of $12,000 in indirect costs assessed by the Director/Management Services program; 2) using the fiscal 1991 appropriation as the budget base, which was approximately $12,000 higher than fiscal 1990 expenditures; and 3) a reduction of $13,000 in legal costs. Legal services needed by the board in the 1993 biennium will be financed through the legal contingency appropriation in the Public Safety program.

In fiscal 1990, the program purchased a personal computer. The equipment budget in the 1993 biennium will provide replacement office equipment.

MILK CONTROL BUREAU

Funding

Funding is from state special revenue funds received from assessments on Montana's milk products.

PROFESSIONAL AND OCCUPATIONAL LICENSING BUREAU

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	31.93	31.93	35.03	3.10	31.93	35.03	3.10	3.10
Personal Services	817,669	991,654	1,028,568	36,914	990,577	1,027,359	36,782	25.79%
Operating Expenses	1,577,085	1,960,052	2,151,684	191,632	1,945,728	2,101,553	155,825	36.43%
Equipment	7,151	6,335	24,348	18,013	6,335	6,335	0	240.48%
Total Costs	$2,401,905	$2,958,041	$3,204,600	$246,559	$2,942,640	$3,135,247	$192,607	33.42%
Fund Sources								
State Revenue Fund	1,696,470	2,065,007	2,263,933	198,926	2,057,817	2,213,663	155,846	33.45%
Proprietary Fund	705,435	893,034	940,667	47,633	884,823	921,584	36,761	33.35%
Total Funds	$2,401,905	$2,958,041	$3,204,600	$246,559	$2,942,640	$3,135,247	$192,607	33.42%

Program Description

The Professional and Occupational Licensing (POL) program provides the administrative and clerical services required by the 30 licensing and regulatory boards authorized by statute. Services provided include correspondence, application processing, issuing and renewing licenses, administering and grading examinations, taking minutes of board meetings and hearings, and providing legal staff and investigators to investigate legal infractions. The Board of Passenger Tramways was moved to this program from the Public Safety program.

Language

"[The Professional and Occupational Licensing Bureau] contains $3,000 in fiscal 1992 and $2,000 in fiscal 1993 for the Board of Dentistry to implement mandatory continuing professional education requirements for dentists and dental hygienists."

Budget

The budget increases 33.4 percent due to increases in personal services and operating expenses.

Personal services increase 25.8 percent, due mainly to the high vacancy savings experienced in fiscal 1990. In addition, a vacant position (grade 15) was reclassified to a bureau chief position (grade 18), adding $12,259 per fiscal year, and other legislation which add $76,582 in fiscal 1992 and $76,406 in fiscal 1993. Other increases include additional overtime and board per diem of

PROFESSIONAL AND OCCUPATIONAL LICENSING BUREAU

$26,880 per year and the continuation of the fiscal 1991 pay plan in the 1993 biennium. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of $41,961 in fiscal 1992 and $41,912 in fiscal 1993.

Operating expenses increase 36.4 percent because: 1) rent increased $35,146 per fiscal year when the program moved from state-owned office space to privately-owned office space; 2) audit costs increase $4,200 in fiscal 1992 only; 3) inflationary adjustments add $20,000 per fiscal year; 4) the new network fee adds an annual $10,950; 5) dental hygienists education costs in the Board of Dentistry increase $3,000; 6) budget modifications add $195,582 in fiscal 1992 and $171,921 in fiscal 1993; 7) the Board of Outfitters adds $15,000 per year to pay the Department of Fish, Wildlife and Parks to enforce the board's regulations; and 8) the legislature used fiscal 1991 appropriations as the budget base, which are $123,990 higher than fiscal 1990 expenditures; and 8) recharges and indirect costs add $156,452 per year. The decrease in fiscal 1993 is due to audit costs (which are shown in fiscal 1992) and the corresponding decrease in recharge cost.

The equipment budget will allow for the purchase of four computer terminals and some replacement office equipment. Budget modifications add $14,955 in fiscal 1992 and $4,087 in fiscal 1993.

Budget Modifications

	Executive				Legislature			
Modification Type	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93
1) Impairment Program-Dentists	0.0	0.0	$0	$50,000	0.0	0.0	$0	$ 50,000
2) Miscellaneous POL Legislation	0.0	0.0	$0	$50,000	3.1	3.1	$0	488,786
Total	0.0	0.0	$0	$50,000	3.1	3.1	$0	$538,786

1) Impairment Program - Dentists - This modification will allow the Board of Dentists' continued participation in the Board of Medical Examiners Physician's Assistance program.

2) Miscellaneous POL Legislation - This modification implements ten bills with fiscal impact to the Professional and Occupational Licensing Bureau (HB118, HB620, HB667, SB8, SB66, SB112, SB135, SB172, SB174 and SB307). With the enactment of Senate Bill 381, the Board of Midwifery (SB172) and the Board of Naturopaths (SB66) are combined into the Allied Health Care Board.

PROFESSIONAL AND OCCUPATIONAL LICENSING BUREAU

Funding

The licensing boards in this program receive their funding from license fees, which are deposited in state special revenue fund accounts for each of the boards. The Administrative Services program is funded through assessments from each of the boards, which are deposited into a proprietary fund account.

AERONAUTICS DIVISION

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	11.99	.00	10.99	10.99	.00	10.99	10.99	-1.00
Personal Services	320,861	0	342,395	342,395	0	343,487	343,487	6.71%
Operating Expenses	265,476	0	371,314	371,314	0	356,149	356,149	39.87%
Equipment	8,912	0	22,000	22,000	0	18,000	18,000	146.86%
Grants	8,000	0	10,000	10,000	0	10,000	10,000	25.00%
Transfers	11,340	0	10,000	10,000	0	10,000	10,000	-11.82%
Total Costs	$614,589	$0	$755,709	$755,709	$0	$737,636	$737,636	22.96%
Fund Sources								
State Revenue Fund	562,959	0	601,253	601,253	0	600,391	600,391	6.80%
Federal Revenue Fund	0	0	73,599	73,599	0	73,592	73,592	.00%
Proprietary Fund	51,630	0	80,857	80,857	0	63,653	63,653	56.61%
Total Funds	$614,589	$0	$755,709	$755,709	$0	$737,636	$737,636	22.96%

Program Description

The Aeronautics program is responsible for providing protection and safety in aeronautics. The program consists of five general areas: 1) **Aeronautics Board**, attached to the department for administrative purposes, advises on matters pertaining to aeronautics; 2) **Division Administration** is responsible for the overall operation of the program, including the operation of the air carrier airport at West Yellowstone; 3) **Airport/Airways Bureau** provides technical assistance to communities for planning, construction, maintenance, and other airport development projects, and conducts annual airport safety inspections. It administers a grant program which provides engineering grants to airport owners planning construction and/or improvement projects; operates and maintains 13 state-owned airports; operates a program for resale of airport supplies; and maintains and up-dates the Montana Aviation System Plan; 4) **Safety and Education Bureau** organizes and maintains a statewide aerial search and rescue organization. It enforces state laws on pilot and aircraft registration. The bureau also monitors construction of towers and other obstructions to air navigation, inspects and identifies hazards, and makes marking and lighting recommendations. The **Yellowstone Airport** in West Yellowstone is one of two airports designated by Congress to serve a national park. The division administrator and Airport/Airways Bureau provide the policy, budgeting, administrative, and project coordination for the airport.

The Executive Budget included this program in the proposed Department of Transportation. Legislation creating the Department of Transportation (Senate Bill 164) was enacted.

AERONAUTICS DIVISION

Language

"[Aeronautics Division] contains $33,176 in fiscal 1992 and $33,226 in fiscal 1993, which are not to be used for moving costs associated with the Department of Transportation if Senate Bill 164 is enacted." Senate Bill 164 was enacted.

Budget

Personal services increase 6.7 percent because of high vacancy savings experienced in fiscal 1990 and the continuation of the 1991 pay plan into the 1993 biennium. This increase is offset by 1.0 FTE transferred to the Montana Promotions Division. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of $14,266 in fiscal 1992 and $14,312 in fiscal 1993.

Operating expenses increase 39.9 percent because: 1) $50,000 was included in contracted services to reflect anticipated federal funds for emergency and construction needs for Montana's airports; 2) a budget modification added $17,000 in fiscal 1992; 3) the legislature used fiscal 1991 appropriations as the budget base, which are $31,850 higher than fiscal 1990 expenditures; and 4) of small increases in audit costs, indirect costs, and network fees.

The equipment budget is for weather monitoring equipment requested by the program.

The grants are for engineering studies for small airports in Montana. The transfer provides the authority to transfer taxes collected by Gallatin County from a state special fund to the West Yellowstone Airport proprietary account.

Budget Modification

	Executive				Legislature			
Modification Type	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93
1) West Yellowstone Airport Maint.	0.0	0.0	$0	$17,000	0.0	0.0	$0	$17,000

1) West Yellowstone Airport Maintenance - This modification will allow restripping of the runways, installation of radio controlled lighting, and updating the radio and monitoring system to meet FAA requirements.

AERONAUTICS DIVISION

Funding

State special revenue for this program is funded by a one cent tax on aviation fuels. Federal funds are budgeted at the level of the anticipated grant which will be used for emergency and construction needs of Montana's airports. The proprietary fund supports the West Yellowstone airport, and the increase reflects the budget modification.

This program is shown in the proposed Department of Transportation in the Executive Budget. Legislation creating the Department of Transportation (Senate Bill 164) was enacted.

TRANSPORTATION DIVISION

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	14.50	.00	13.00	13.00	.00	13.00	13.00	-1.50
Personal Services	405,221	0	435,032	435,032	0	434,408	434,408	7.36%
Operating Expenses	247,046	0	388,268	388,268	0	154,920	154,920	57.16%
Equipment	6,439	0	354	354	0	500	500	-94.50%
Grants	1,315,458	0	3,004,684	3,004,684	0	704,684	704,684	128.41%
Total Costs	$1,974,164	$0	$3,828,338	$3,828,338	$0	$1,294,512	$1,294,512	93.92%
Fund Sources								
General Fund	466,013	0	585,524	585,524	0	372,427	372,427	25.65%
State Revenue Fund	611,656	0	1,862,102	1,862,102	0	71,250	71,250	204.44%
Federal Revenue Fund	896,495	0	1,380,712	1,380,712	0	850,835	850,835	54.01%
Total Funds	$1,974,164	$0	$3,828,338	$3,828,338	$0	$1,294,512	$1,294,512	93.92%

Program Description

The Transportation program provides: 1) technical assistance to local communities and transit authorities for planning, organizing, operating, and funding transportation systems; 2) administration of federal funds for capital, planning, and operating transit subsidies; 3) a yearly update of the State Rail Plan, and administration of federal and other funds for rail and related facility rehabilitation; 4) monetary assistance to communities through grants, loans, and rail bonding authority; and 5) representation of shippers and the state before the Interstate Commerce Commission and courts on rate issues, branchline abandonments, and service.

The Executive Budget included this program in the proposed Department of Transportation. Legislation creating the Department of Transportation (Senate Bill 164) was enacted.

Language

"If Senate Bill 164 is enacted, [The Transportation Division] contains $31,081 general fund and $20,721 federal funds in fiscal 1992 for moving costs associated with the Department of Transportation." Senate Bill 164 was enacted.

"[McCarty Farms] is for litigation costs associated with the McCarty Farms case. The department shall seek to recover all general fund expenditures plus interest at a rate of 10% from any settlement in this case."

TRANSPORTATION DIVISION

Budget

The large increase (93.9 percent from fiscal 1990 to fiscal 1992) is due in part to the two biennial appropriations (Local Rail Service Assistance Grant and McCarty Farms) included in fiscal 1992.

Personal services increase 7.4 percent even though 1.5 FTE were eliminated at a cost reduction of $56,900 per year. The increase is due to a high vacancy savings (approximately $89,000) in fiscal 1990 and the continuation of the fiscal 1991 pay plan in the 1993 biennium. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of $18,126 in fiscal 1992 and $18,100 in fiscal 1993.

Operating expenses increase 57.2 percent, due primarily to the McCarty Farms biennial appropriation of $180,000, which is included in fiscal 1992, while only $61,403 was spent for this purpose in fiscal 1990. Other increases include $3,500 in education costs, indirect costs of $6,000, and increased audit and network fees. The legislature also used fiscal 1991 appropriations as the budget base, which are approximately $10,000 higher than fiscal 1990 expenditures. The decrease between fiscal 1992 and fiscal 1993 is due to the biennial appropriation for the McCarty Farms case, audit costs, $11,138 rent reduction, and a $40,748 reduction in indirect costs.

The increase in the grants is due primarily to the Rail Construction Loan funds in fiscal 1992 only and the budget modification. Urban Mass Transit Administration grants of approximately $630,000 are pass through funds for transit system projects such as planning or purchasing vehicles for the elderly and handicapped. The budget modification is a $500,000 biennial grant appropriation for funds received from the Federal Railroad Administration (FRA) to be used for various railroad construction and rehabilitation projects. Funds from the Department of Highway's gas tax fund are passed through to cities or counties to fund public transportation systems. Grants of $1.8 million (a biennial appropriation) are funded with state special revenue to finance rehabilitation of the Central Montana Railroad or other rail rehabilitation projects. These funds were received from the FRA and were originally loaned by the department to Burlington Northern for rail system improvements. The loans have been repaid and the department, with approval of FRA, may expended the funds for rail rehabilitation projects.

Budget Modification

	Executive				Legislature			
Modification Type	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93
1) Local Rail Service Grant	0.0	0.0	$0	$500,000	0.0	0.0	$0	$500,000

TRANSPORTATION DIVISION

1) Local Rail Services Grant - This biennial appropriation of federal Local Rail Service Assistance funds will be used for assistance in railroad construction and rehabilitation projects.

Funding

This program receives 15.3 percent of its funding from the general fund in fiscal 1992 and 28.8 percent in fiscal 1993. State special revenue funds come from Rail Construction Loan repayments and $62,102 of highways special revenue each fiscal year. The federal funds are from urban mass transit funds.

This program is shown in the proposed Department of Transportation in the Executive Budget. Legislation creating the Department of Transportation (Senate Bill 164) was enacted.

BUSINESS DEVELOPMENT DIVISION

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	15.00	23.00	23.00	.00	23.00	23.00	.00	8.00
Personal Services	509,020	757,827	726,263	31,564-	757,450	725,906	31,544-	42.68%
Operating Expenses	715,012	1,028,461	1,075,401	46,940	1,028,696	1,098,340	69,644	50.40%
Equipment	21,805	11,927	14,927	3,000	11,711	11,711	0	-31.54%
Grants	1,303,768	2,092,919	2,092,919	0	2,093,920	2,093,920	0	60.53%
Total Costs	$2,549,605	$3,891,134	$3,909,510	$18,376	$3,891,777	$3,929,877	$38,100	53.34%
Fund Sources								
General Fund	677,881	833,076	818,316	14,760-	832,719	816,984	15,735-	20.72%
State Revenue Fund	324,308	503,600	542,867	39,267	503,599	539,873	36,274	67.39%
Federal Revenue Fund	1,547,416	2,554,458	2,548,327	6,131-	2,555,459	2,573,020	17,561	64.68%
Total Funds	$2,549,605	$3,891,134	$3,909,510	$18,376	$3,891,777	$3,929,877	$38,100	53.34%

Program Description

The Business Development program provides the direct technical assistance component of the state's economic development programs. The program's Small Business Development Center program has offices in Glendive, Bozeman, Kalispell, and Helena to provide direct assistance to small businesses in finance, marketing, export, and data systems. The Helena office includes the Business Licensing Center and provides coordination for the Montana Ambassadors program. The operation and funding of the portion of Community Development Block Grant (CDBG) program for economic development was moved to this program in fiscal 1989 from Local Government Services - Community Development program. The Business Location program provides general and detailed research assistance to firms considering expansion in or relocation to Montana and seeks to attract firms in targeted industries to consider Montana locations. The Pacific Rim program helps Montana businesses compete successfully in Asian markets.

Language

"[The Defense Logistics Agency Contract] contains $114,000 per year of federal funds to provide assistance for small businesses in contracting with the federal government. General fund cannot be used in place of these federal funds."

"[General Revisions of the Montana Capital Company Act] is contingent on the passage and approval of House Bill No. 901." House Bill 901 was enacted.

BUSINESS DEVELOPMENT DIVISION

Budget

There is an 8.0 FTE increase in this program, 7.0 of which are from the budget modifications shown below. The other 1.0 FTE is a unit manager position transferred from the Community Development program.

Personal services increase 42.7 percent primarily because of the increased modified FTE's which add $203,751 in fiscal 1992 and $203,286 in fiscal 1993. The unit manager position was transferred into the program during fiscal 1990, resulting in personal services expenditures being approximately $19,000 higher than budgeted. The continuation of the fiscal 1991 pay plan in the 1993 biennium accounts for the remainder of the increase. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of $29,008 in fiscal 1992 and $28,995 in fiscal 1993.

Operating expenses increase 50.4 percent primarily because of the budget modifications shown below, which add $249,565 in fiscal 1992 and $275,188 in fiscal 1993. The legislature used the fiscal 1991 appropriation as the budget base, which is $107,700 higher than fiscal 1990 expenditures. It also added $45,000 each year for exhibition costs in the Pacific Rim program.

The equipment budget includes $13,677 in fiscal 1992 and $10,461 in fiscal 1993 due to the budget modifications. The remainder is for the purchase of computer software.

Grant expenditures increase 60.5 percent due to an anticipated increase in the Community Development Block Grant (CDBG) funds.

Budget Modifications

	Executive				Legislature			
Modification Type	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93
1) Montana Products Directory				$ 70,000				$ 70,000
2) Defense Logistics Contract	4.0	4.0		328,533	4.0	4.0		319,208
3) EDA/CBDG Revolving Loan	1.0	1.0		340,905	1.0	1.0		338,848
4) Canadian Trade Office	1.0	1.0	$ 29,557	139,557			$ 29,557	139,557
5) International Affairs Coord.	1.0	1.0	80,158	110,158	1.0	1.0	80,158	107,084
6) SBDC Increase*				175,000				175,000
7) Revision of MT Capital Co.-HB901					1.0	1.0		81,770
Total	7.0	7.0	$109,715	$1,164,153	7.0	7.0	$109,722	$1,231,467

* Included in the revised Executive Budget (changes are not included in the program table under the Executive column).

BUSINESS DEVELOPMENT DIVISION

1) Montana Products Directory - This modification will allow the issuance of an annual updated manufacturers guide and a Montana products directory. Revenues to fund this cost come from trade shows, training fees, sale of documents, private contributions, and fees for services.

2) Defense Logistics Contract - Federal funds received during the 1991 biennium for a Procurement Technical Assistance program for small businesses were approved through budget amendment. This continues the program in the 1993 biennium.

3) Economic Development Administration (EDA) and Community Development Block Grant (CDBG) - This modification will allow EDA funds and CDBG funds to be used for a revolving loan program to small Montana businesses.

4) Canadian Trade Office - This modification will fund a contract and operating expenses to establish a Canadian trade office to develop opportunities to market products in Canada. This program will be funded with state special revenue funds and general fund.

5) International Affairs Coordinator - The modification funds the International Affairs Coordinator who will support international projects and provide assistance in areas such as protocol and cultural exchanges. This modification will be funded with general fund and accommodations tax revenues.

6) Small Business Development Center - The Small Business Development Center has received additional federal funds to provide counseling, training, and information for small business owners primarily in the areas of financing, marketing, and business management.

7) Revision of MT Capital Co.- HB901 - This modification provides a staff person to assist in the implementation of House Bill No. 901, which generally revises the Montana Capital Company Act.

Funding

The program receives private funds and Growth Through Agriculture funds (coal tax) as state special revenue funds. Of the 67.4 percent increase in state special revenue funds, $195,805 is from the budget modifications.

Federal funds are primarily CDBG funds, which are anticipated to increase during the 1993 biennium. In addition, $354,682 is added by the budget modifications in fiscal 1992 and $380,694 in fiscal 1993.

General fund supports the remainder of the program.

MONTANA PROMOTION DIVISION

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	16.33	17.33	17.33	.00	17.33	17.33	.00	1.00
Personal Services	382,592	476,607	457,543	19,064-	475,818	456,785	19,033-	19.59%
Operating Expenses	3,405,526	3,890,695	3,737,063	153,632-	3,890,278	3,732,314	157,964-	9.74%
Equipment	17,266	1,000	1,000	0	1,000	1,000	0	-94.21%
Local Assistance	1,356,087	1,118,676	1,601,882	483,206	1,118,676	1,920,088	801,412	18.13%
Grants	0	351,784	0	351,784-	669,990	0	669,990-	.00%
Total Costs	$5,161,471	$5,838,762	$5,797,488	$41,274-	$6,155,762	$6,110,187	$45,575-	12.32%
Fund Sources								
State Revenue Fund	5,161,471	5,838,762	5,797,488	41,274-	6,155,762	6,110,187	45,575-	12.32%
Total Funds	$5,161,471	$5,838,762	$5,797,488	$41,274-	$6,155,762	$6,110,187	$45,575-	12.32%

Program Description

The Montana Promotion program is responsible for generating revenues for Montana by increasing the number and expenditures of nonresident visitors and increasing expenditures by nonresident production companies (motion picture and television commercials) in the state. The program works to project a positive image of the state through consumer advertising, publicity, international and domestic group travel marketing, printing and distribution of literature, and marketing to motion picture and television companies. In addition, the program provides training and assistance to the Montana tourism industry and oversees budget expenditures by the various non-profit corporations funded by the Montana accommodations tax.

Budget

Personal services increase 19.6 percent due to: 1) 1.0 FTE transferred from the Aeronautics Division at an annual cost of approximately $26,690; 2) vacancy savings in fiscal 1990 of approximately $66,000; and 3) the continuation of the 1991 pay plan. These increases are partially offset by reductions for positions filled at lower steps. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of $19,064 in fiscal 1992 and $19,033 in fiscal 1993.

Operating expenditures increase by 9.7 percent, which includes $682,244 in both fiscal 1992 and fiscal 1993 for the budget modification shown below. The legislature used the fiscal 1991 appropriation as the budget base, which was $474,200 higher than fiscal 1990 expenditures. Other increases include inflationary adjustments of $22,000, audit costs of $3,000, and network fees of

MONTANA PROMOTION DIVISION

$6,210 per year. These increases are offset by $860,675 of expenditures in fiscal 1990 that were made by statutory appropriation, which are not included in fiscal 1992. Audit costs account for the $6,000 decrease between fiscal 1992 and fiscal 1993.

The equipment budget is for miscellaneous office equipment.

Local assistance expenditures are the transfers of accommodations tax to local tourism promotion groups. This budget shows a 18.1 percent increase. However, fiscal 1990 includes $105,989 of expenditures from a statutory appropriation. The increase from fiscal 1992 to fiscal 1993 is due to the budget modification.

Budget Modification

	Executive				Legislature			
Modification Type	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93
1) MT Promotions Division	0.0	0.0	$0	$2,386,262	0.0	0.0	$0	$2,386,262

1) Montana Promotions Division - This modification allows the continued expenditure of accommodations tax that was statutorily appropriated in fiscal 1990. This revenue will be used to promote tourism throughout the state.

Funding

Funding for this program comes from private donations and the accommodations tax. The accommodations tax (less portions for the Department of Revenue, Historical Society, university system, and payments by state employees) is statutorily appropriated to the Department of Commerce for tourism promotion and promotion of the state as a location for motion pictures and television commercials. Of the amount the department receives, 75 percent is used directly by the department and 25 percent is distributed to regional nonprofit tourism corporations.

COMMUNITY DEVELOPMENT BUREAU

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	20.00	18.50	18.50	.00	18.50	18.50	.00	-1.50
Personal Services	506,007	581,081	557,836	23,245-	581,114	557,870	23,244-	10.24%
Operating Expenses	339,662	465,288	465,639	351	449,316	449,342	26	37.09%
Equipment	17,234	5,062	5,062	0	5,156	5,156	0	-70.63%
Grants	15,590,550	23,529,776	23,104,351	425,425-	23,539,579	23,114,554	425,025-	48.19%
Transfers	1,032,929	0	0	0	0	0	0	-100.00%
Total Costs	$17,486,382	$24,581,207	$24,132,888	$448,319-	$24,575,165	$24,126,922	$448,243-	38.01%
Fund Sources								
General Fund	183,562	225,751	221,939	3,812-	223,649	219,837	3,812-	20.91%
State Revenue Fund	2,663,611	3,228,808	2,798,287	430,521-	3,226,727	2,796,279	430,448-	5.06%
Federal Revenue Fund	14,639,209	21,126,648	21,112,662	13,986-	21,124,789	21,110,806	13,983-	44.22%
Total Funds	$17,486,382	$24,581,207	$24,132,888	$448,319-	$24,575,165	$24,126,922	$448,243-	38.01%

Program Description

The Local Government Assistance - Community Development program provides assistance to local governments, private developers, and the public in public-works planning and financing; land use, development, and financing; low income rent assistance; coal and hard rock mining impact mitigation; and general local government research and development. The program includes the following boards and programs. The **Coal Board** provides grants to local governments where adverse impacts have occurred as a result of large-scale coal development. The **Hard-Rock Mining Impact Board** assists mineral developers and local governments in preparing and implementing impact plans for new, large-scale, hard-rock mining developments, arbitrates disputes, makes determinations on impact plan waivers, and generally implements the Hard Rock Mining Impact Act. The **Housing Assistance program** provides financial assistance for rental housing to the needy and provides financial assistance and guarantees to rental housing developers to improve the housing stock available to needy Montanans. The **Community Technical Assistance program** provides technical assistance to local developers, local officials, and others on capital improvement planning and budgeting, land use and zoning regulation, and financing public works projects, in addition to researching special local policy issues and distributing the county land planning funds. The CDBG program receives, awards, and administers federal Housing and Urban Development funds to assist local governments with public facility and housing needs to benefit low to moderate income people.

COMMUNITY DEVELOPMENT BUREAU

Budget

The FTE decreased 1.5 because a 1.0 FTE program officer position was transferred to the Business Development program and a 0.5 FTE was transferred to the Local Government Assistance - Administration program.

Personal services increase 10.2 percent in spite of the FTE transfers (which reduce personal services costs by approximately $40,550 per year) due to: 1) vacancy savings in fiscal 1990 of approximately $98,000; and 2) the continuation of the fiscal 1991 pay plan in the 1993 biennium. The legislature also increased funding for board per diem. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of $23,245 in fiscal 1992 and $23,244 in fiscal 1993.

Operating expenses increase 37.1 percent or approximately $126,000 from fiscal 1990 to fiscal 1992 because: 1) $25,000 was added each fiscal year to increase the number of housing inspections as required by HUD; 2) audit costs are $19,700 higher in fiscal 1992 than fiscal 1990 expenditures; 3) printing costs increase $9,100 per fiscal year; 4) indirect cost increase $28,400 per fiscal year; and 5) base adjustments, inflation, and network fee increase. Audit costs account for the decrease between fiscal 1992 and fiscal 1993.

The equipment budget is for miscellaneous office furniture and equipment.

Grants increase 48.2 percent or approximately $7.5 million. However, the fiscal 1990 transfer of $1.03 million of coal tax to the Department of Highways for the Decker Busby Highway project is shown as a transfer rather than a grant. If this had been included as a grant, the increase would have been $6.5 million. Increases in fiscal 1992 include $5.2 million in the Housing Assistance program, $139,300 in the Community Development Block Grant program, and $1.0 million in the Section 8 grants.

Budget Modification

	Executive				Legislature			
Modification Type	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93
1) Section 8 Grant Increase	0.0	0.0	$0	$2,000,780	0.0	0.0	$0	$2,000,780

1) Section 8 Grant Increase - This modification will allow expenditure of increased federal funding from HUD for 125 rental units for the Certification program and 75 rental units for the Vouchers program.

COMMUNITY DEVELOPMENT BUREAU

Funding

The Community Development Bureau contains six programs which are financed with general fund, state special revenue, and federal funds. The following table details the funding of each of these programs.

Table 1
Community Development Bureau Funding

Fiscal 1992	General Fund	Local Impact	Hardrock Mining	County Land Plan.	Federal	Total Funds
Coal Board		$2,552,762				$2,552,762
Hard Rock Mining Board			98,895			98,895
Community Assistance	144,953					144,953
County Land Planning				146,630		146,630
Housing Assistance					14,241,295	14,241,295
Community Devl. Block Grants	76,986				6,871,367	6,948,353
Total Fiscal 1992 Funding	$221,939	$2,552,762	$98,895	$146,630	$21,112,662	$24,132,888
Fiscal 1993						
Coal Board		$2,551,599				$2,551,599
Hard Rock Mining Board			98,688			98,688
Community Assistance	144,700					144,700
County Land Planning				145,992		145,992
Housing Assistance					14,241,283	14,241,283
Community Devl. Block Grants	75,137				6,869,523	6,944,660
Total Fiscal 1993 Funding	$219,837	$2,551,599	$98,688	$145,992	$21,110,806	$24,126,922

Funding for the programs comes from the following sources: 1) the Coal Board is funded with 6.65 percent of the total coal tax collections; 2) the Hard Rock Mining Board is funded from the metalliferous mines license tax; 3) the Community Assistance program is funded entirely with general fund; 4) the County Land Planning program is funded from 0.38 percent of total coal tax collections; 5) Housing Assistance receives funding from federal Section 8 Housing funds; and 6) the Community Development Block Grant program

receives federal block grant funds. The federal fund increase of 44.2 percent reflects the increase in the grants expenditures which include the budget modifications.

OFFICE OF RESEARCH AND INFORMATION SERVICES

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	6.83	7.83	7.83	.00	7.83	7.83	.00	1.00
Personal Services	155,737	230,505	221,284	9,221-	230,107	220,902	9,205-	42.09%
Operating Expenses	43,090	144,891	124,891	20,000-	131,640	111,640	20,000-	189.84%
Equipment	3,200	13,952	13,952	0	14,000	14,000	0	336.00%
Total Costs	$202,027	$389,348	$360,127	$29,221-	$375,747	$346,542	$29,205-	78.26%
Fund Sources								
General Fund	202,027	389,348	360,127	29,221-	375,747	346,542	29,205-	78.26%
Total Funds	$202,027	$389,348	$360,127	$29,221-	$375,747	$346,542	$29,205-	78.26%

Program Description

The Office of Research and Information Services program provides a central and accessible information source for the department and Montana's economic community. It monitors and analyzes the Montana economy; conducts specific economic analysis projects; distributes economic, demographic, and business information through the Census and Economic Information Center; maintains and presents information on the department's economic development programs; and supports the department's research, informational, business development, and promotional activities.

Language

"[Automation of Census] contains $63,061 in fiscal 1992 and $52,266 in fiscal 1993 for automation of census data. In preparing the 1995 biennial budget for legislative consideration, the Office of Budget and Program Planning and the Legislative Fiscal Analyst's office may not include the expenditures from this item in the current level base."

Budget

The personal services budget increases by 42.1 percent due to: 1) $28,860 in fiscal 1992 and $28,794 in fiscal 1993 for the 1.0 FTE added in the budget modification; 2) vacancy savings in fiscal 1990 of approximately $51,000; and 3) the fiscal 1991 pay plan continuing into the 1993 biennium. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of $9,221 in fiscal 1992 and $9,205 in fiscal 1993.

OFFICE OF RESEARCH & INFORMATION SERVICES

Operating expenses increase by 189.8 percent because: 1) $25,000 was added to contracted services for economic analysis because the department eliminated an economist position; 2) the budget modification adds $34,201 in fiscal 1992 and $23,472 in fiscal 1993; 3) the legislature used the fiscal 1991 appropriation as the budget base, which is higher than fiscal 1990 expenditures; and 4) net increases for network costs, indirect costs, and audits are offset by deflation for computer processing costs. The decrease between fiscal 1992 and fiscal 1993 is due to audit costs and the budget modification.

Equipment consists of multi-user computer and terminals and office furniture.

Budget Modification

	Executive				Legislature			
Modification Type	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93
1) Automation of Census	1.0	1.0	$117,730	$117,730	1.0	1.0	$115,327	$115,327

1) Automation of Census - The federal Bureau of Census (BOC) information is provided to states on magnetic tapes. Only approximately 20 percent of this information is included in the BOC published information. The department will use this authority to make more of the census information available to Montana users.

Funding

The funding for this program is entirely general fund.

LOCAL GOVERNMENT SERVICES-AUDIT

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	28.20	28.75	30.25	1.50	28.75	31.25	2.50	2.05
Personal Services	717,293	855,156	855,465	309	854,376	879,842	25,466	19.26%
Operating Expenses	252,567	273,898	343,008	69,110	261,106	346,619	85,513	35.81%
Equipment	9,340	16,828	56,745	39,917	16,828	16,828	0	507.55%
Transfers	51,210	92,343	92,343	0	92,314	92,314	0	80.32%
Total Costs	$1,030,410	$1,238,225	$1,347,561	$109,336	$1,224,624	$1,335,603	$110,979	30.78%
Fund Sources								
General Fund	51,210	92,343	89,770	2,573-	92,314	89,737	2,577-	75.30%
Proprietary Fund	979,200	1,145,882	1,257,791	111,909	1,132,310	1,245,866	113,556	28.45%
Total Funds	$1,030,410	$1,238,225	$1,347,561	$109,336	$1,224,624	$1,335,603	$110,979	30.78%

Program Description

The Local Government Services - Audit program provides for the financial and compliance post auditing of the financial statements of local taxing jurisdictions in Montana, as required by law. These audits are conducted by staff and though contracts with private accounting firms. The program also performs special audits in cases of suspected fraud or misappropriation of funds. This program sets audit program standards and provides technical assistance to local, state and federal governments as well as private individuals. The audit function is designed to protect the taxpayers' interests by verifying that the financial conditions and operations are responsibly accounted and reported for and that local officials are complying with appropriate statutes and regulations.

Budget

Personal services increase 19.3 percent primarily due to: 1) approximately $97,600 in vacancy savings in fiscal 1990; 2) the Single Audit Act budget modification which adds $33,939 in fiscal 1992 and $59,065 in fiscal 1993; 3) a net increase of 0.55 FTE resulting from changes in the administrator's position, an accountant position, and a word processor position; and 4) the continuation of the fiscal 1991 pay plan in the 1993 biennium. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of $35,644 in fiscal 1992 and $36,660 in fiscal 1993.

Operating expenses increase 35.8 percent due to the budget modifications listed below, the use of fiscal 1991 appropriations as the budget base, and minor increases for inflation and audit costs.

LOCAL GOVERNMENT SERVICES-AUDIT

The equipment budget will allow the purchase of nine portable computers, nine calculators, and a printer.

The transfer authority is necessary to allow the transfer of general fund to the proprietary fund, in accordance with generally accepted accounting principles (GAAP).

Budget Modifications

	Executive				Legislature			
Modification Type	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93
1) Local Government Peer Review	0.0	0.0	$0	$10,000	0.0	0.0	$0	$ 10,000
2) Single Audit Act-HB328					1.5	2.5		287,996
Total	0.0	0.0	$0	$10,000	1.5	2.5	$0	$297,996

1) Local Government Peer Review - This modification will provide the department with an external quality control review (peer review) of the program. Audit standards by the Comptroller General require this review every three years. This will be funded from the program's proprietary fund account.

2) Single Audit Act-HB328 - This modification implements House Bill 328, which generally revises the law relating to audits of local governments.

Funding

The majority of the funding for this program comes from service fees assessed local governments for audit services. The general fund supports the cost of the non-billable services.

LOCAL GOVERNMENT SERVICES-SYSTEMS

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	4.30	2.75	2.75	.00	2.75	2.75	.00	-1.55
Personal Services	89,865	117,183	112,496	4,687-	116,909	112,233	4,676-	25.18%
Operating Expenses	74,743	73,211	73,881	670	72,430	73,066	636	-1.15%
Equipment	0	424	0	424-	424	0	424-	.00%
Transfers	88,340	53,770	53,770	0	53,635	53,635	0	-39.13%
Total Costs	$252,948	$244,588	$240,147	$4,441-	$243,398	$238,934	$4,464-	-5.06%
Fund Sources								
General Fund	88,341	53,770	52,741	1,029-	53,635	52,605	1,030-	-40.30%
Proprietary Fund	164,607	190,818	187,406	3,412-	189,763	186,329	3,434-	13.85%
Total Funds	$252,948	$244,588	$240,147	$4,441-	$243,398	$238,934	$4,464-	-5.06%

Program Description

The Local Government Services - Systems program develops, implements, and maintains the uniform budgetary, accounting, and reporting systems for Montana cities, towns, counties, school districts, and other special purpose taxing jurisdictions. It provides regular and special technical assistance on accounting and reporting standards to local financial personnel, coordinates technical and procedural advice and assistance between state agencies and local governments, and is the central state repository of annual budget documents and annual financial reports from counties, cities, and towns. The 1991 legislature transferred the District Court Reimbursement program, which assists counties in paying for on-going and extraordinary criminal case court costs, to the Supreme Court Administrator.

Budget

Due to enacted legislation (House Bill 864), the District Court function of this program has been transferred to the Supreme Court Administrator. Therefore, FTE, actual fiscal 1990 expenditures, Executive recommendation and legislative approved budgets for this function are not reflected in the program table.

There is a 1.55 decrease in FTE because of the elimination of a 1.0 FTE accounting position and a transfer of 0.55 FTE from this program to the Local Government Services Audit program, at a cost savings of approximately $44,200 per fiscal year. Personal services increase 25.2 percent in spite of the FTE decrease because: 1) $47,500 of vacancy savings in fiscal 1990; and 2) the fiscal 1991

pay plan is continued in the 1993 biennium. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of $4,687 in fiscal 1992 and $4,676 in fiscal 1993.

Operating expenses decrease 1.2 percent due to less rent and utility costs resulting from the move to the Commerce building.

The transfer expense is the authority needed to transfer general fund to the proprietary fund in the Local Government Systems program. The transfer is required by Generally Accepted Accounting Principles (GAAP). The general fund supports costs which cannot be billed to local governments for services provided by the program. The decrease in the expenditure reflects the decrease of general fund in the Local Government Systems program.

Funding

The general fund provides funding for costs which cannot be billed to local governments for services fees. Service fees billed to local governments are the source of revenues to the proprietary fund.

LOCAL GOVERNMENT ASSISTANCE-ADMINISTRATION

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	2.00	2.50	2.50	.00	2.50	2.50	.00	.50
Personal Services	90,883	106,460	102,202	4,258-	106,811	102,539	4,272-	12.45%
Operating Expenses	10,441	13,614	13,566	48-	13,328	13,271	57-	29.93%
Total Costs	$101,324	$120,074	$115,768	$4,306-	$120,139	$115,810	$4,329-	14.26%
Fund Sources								
Proprietary Fund	101,324	120,074	115,768	4,306-	120,139	115,810	4,329-	14.26%
Total Funds	$101,324	$120,074	$115,768	$4,306-	$120,139	$115,810	$4,329-	14.26%

Program Description

The Local Government Assistance - Administration program provides professional and legal services to 12 service and financial assistance programs. This program supervises the functions of the Community and Housing Assistance Bureau (which includes the Coal Board and Hard-Rock Mining Board), and the Local Government Services Bureau (which includes the Audit and the Systems programs).

Budget

The budget increases 14.3 percent due to increased personal services and operating expenses. A 0.5 FTE was transferred to the program from the Community Development program (Hardrock Mining), increasing personal services by approximately $12,000 per fiscal year. The remainder of the increase is due to the continuation of the fiscal 1991 pay plan in the 1993 biennium. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of $4,258 in fiscal 1992 and $4,272 in fiscal 1993. The operating expense increase is due to increases in indirect costs, audits, network fees, and use of the fiscal 1991 appropriation as the budget base.

Funding

Funding for this program comes from assessments to the Community Assistance and Local Government programs.

BUILDING CODES BUREAU

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	30.00	30.00	30.00	.00	30.00	30.00	.00	.00
Personal Services	818,685	891,290	855,638	35,652-	890,790	855,159	35,631-	4.51%
Operating Expenses	335,801	397,727	397,727	0	394,886	394,886	0	18.44%
Equipment	8,225	192,354	192,354	0	930	930	0	2238.65%
Total Costs	$1,162,711	$1,481,371	$1,445,719	$35,652-	$1,286,606	$1,250,975	$35,631-	24.34%
Fund Sources								
General Fund	34,197	31,178	30,183	995-	31,008	30,016	992-	-11.74%
State Revenue Fund	1,128,514	1,450,193	1,415,536	34,657-	1,255,598	1,220,959	34,639-	25.43%
Total Funds	$1,162,711	$1,481,371	$1,445,719	$35,652-	$1,286,606	$1,250,975	$35,631-	24.34%

Program Description

The Building Codes program establishes and enforces minimum building, plumbing, mechanical, electrical, energy, and elevator codes. This enforcement safeguards the public, employees, and property in the design and construction of buildings, built-in-Montana recreational vehicles, and factory-built buildings manufactured or offered for sale in Montana. When possible, the program approves and certifies local government code enforcement programs to utilize codes adopted by the program. The program also has plumber, electrician, and public contractor licensing responsibilities. Administrative support, including enforcement duties, are provided to the Board of Plumbers and the State Electrical Board, both of which are administratively attached to the program. The Public Contractor's Licensing program is administered and enforced by the program.

Budget

The budget increases 24.3 percent due primarily to the vehicle replacement modification described below.

Personal services increase 4.5 percent due to: 1) $64,700 of vacancy savings realized in fiscal 1990 that is not budgeted in the 1993 biennium; 2) the continuation of the fiscal 1991 pay plan increase; and 3) board per diem budgeted at the fiscal 1991 appropriated level, which is higher than fiscal 1990 expenditures. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of $35,652 in fiscal 1992 and $35,631 in fiscal 1993.

BUILDING CODES BUREAU

Operating expenses increase 18.4 percent due to: 1) repairs of $8,000; 2) indirect costs of $12,000; 3) goods purchased for resale of $12,500; 4) inflationary adjustments of $7,000; 5) audit and network fees; and 6) use of the fiscal 1991 appropriation as the budget base.

The equipment budget will allow for replacement of 17 vehicles.

Budget Modification

	Executive				Legislature			
Modification Type	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93
1) Vehicle Replacement	0.0	0.0	$0	$191,424	0.0	0.0	$0	$191,424

1) Vehicle Replacement - This modified budget will be used to replace 17 vehicles which have more than 100,000 miles.

Funding

The state special revenue from inspection fees and electrical and plumbing license fees funds most of this program. The Contractors Licensing program is funded by the general fund. Contractors' license fee revenues are deposited in the general fund.

INDIAN AFFAIRS COORDINATOR

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	2.00	2.00	4.50	2.50	2.00	5.00	3.00	2.50
Personal Services	63,234	69,138	125,505	56,367	69,055	138,484	69,429	98.48%
Operating Expenses	27,345	87,304	70,207	17,097-	87,164	56,465	30,699-	156.75%
Equipment	0	0	2,500	2,500	0	2,500	2,500	.00%
Total Costs	$90,579	$156,442	$198,212	$41,770	$156,219	$197,449	$41,230	118.83%
Fund Sources								
General Fund	90,579	103,442	100,676	2,766-	103,219	100,457	2,762-	11.15%
Federal Revenue Fund	0	53,000	97,536	44,536	53,000	96,992	43,992	.00%
Total Funds	$90,579	$156,442	$198,212	$41,770	$156,219	$197,449	$41,230	118.83%

Program Description

The Coordinator of Indian Affairs program, through the Indian Affairs Coordinator, serves as the Governor's liaison with the state's Indian tribes, provides information and policy support on issues confronting the Indians of Montana, and advises and makes recommendations to the legislative and executive branches on these issues. The coordinator also serves the Montana Congressional delegation as an advisor and intermediary in the field of Indian affairs, and acts as spokesman for representative Native American organizations and groups, both public and private, whenever that support is requested.

Budget

The budget increases by 118.8 percent or $107,633, due in large part to the budget modification described below.

The budget modification increases personal services by $59,133 in fiscal 1992 and $72,191 in fiscal 1993. Other increases include the continuation of the fiscal 1991 pay plan in the 1993 biennium and a $4,000 increase in the coordinator's salary. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of $5,230 in fiscal 1992 and $5,770 in fiscal 1993.

Operating costs increase 156.8 percent because of: 1) the budget modification which adds $35,903 in fiscal 1992 and $22,301 in fiscal 1993; 2) the use of fiscal 1991 appropriations rather than fiscal 1990 actual expenditures ($4,700); and 3) small increases in audits, indirect costs, and inflation.

INDIAN AFFAIRS COORDINATOR

The equipment budget is for general replacement of office equipment. The budget modification adds $2,500 per year.

Budget Modification

	Executive				Legislature			
Modification Type	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93
1) EEO Grant-Indian Affairs	0.0	0.0	$0	$106,000	2.5	3.0	$0	$194,528

1) EEO Grant-Indian Affairs - This modified budget is for Department of Highways grant funds (received from the Federal Highway Administration) to be used to assist Native American firms involved with highway construction to assist and train them to compete for highway construction contracts.

Funding

The federal funding for this program is the Federal Highway Administration grant in the modified budget received by the Department of Highways and granted to this program.

HEALTH FACILITIES AUTHORITY

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	3.00	1.00	1.00	.00	1.00	1.00	.00	-2.00
Personal Services	51,018	49,014	47,053	1,961-	48,906	46,950	1,956-	-7.77%
Operating Expenses	62,440	75,188	75,188	0	69,143	69,143	0	20.42%
Total Costs	$113,458	$124,202	$122,241	$1,961-	$118,049	$116,093	$1,956-	7.74%
Fund Sources								
Proprietary Fund	113,458	124,202	122,241	1,961-	118,049	116,093	1,956-	7.74%
Total Funds	$113,458	$124,202	$122,241	$1,961-	$118,049	$116,093	$1,956-	7.74%

Program Description

The Montana Health Facilities Authority program was established by the 1983 legislature to help eligible health care institutions access the tax-exempt interest market. The program issues tax-exempt bonds to finance health care facility projects at interest rates significantly below those which would be available at taxable rates. Two types of programs are operated by the authority: one to provide financing for individual facilities and the other to satisfy the capital needs of a pool of facilities.

Budget

The budget increases 7.7 percent, due primarily to a contract with the Board of Investments. Under this contract, the program will pay a portion of the costs of a bond program specialist position (a budget modification in the Board of Investments) which will be shared by the two programs. Increased audit costs and use of the fiscal 1991 appropriations as the budget base rather than fiscal 1990 actual expenditures accounts for the remainder of the increase.

Funding

Program funding is provided by fees charged for loan applications and from investment income.

MONTANA SCIENCE & TECHNOLOGY ALLIANCE

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	6.00	6.00	7.00	1.00	6.00	7.00	1.00	1.00
Personal Services	147,479	206,654	236,869	30,215	206,206	236,350	30,144	60.61%
Operating Expenses	132,673	237,900	249,639	11,739	248,071	259,570	11,499	88.16%
Equipment	5,805	0	0	0	0	0	0	-100.00%
Grants	115,000	50,500	50,500	0	38,500	38,500	0	-56.09%
Total Costs	$400,957	$495,054	$537,008	$41,954	$492,777	$534,420	$41,643	33.93%
Fund Sources								
General Fund	400,957	495,054	537,008	41,954	492,777	534,420	41,643	33.93%
Total Funds	$400,957	$495,054	$537,008	$41,954	$492,777	$534,420	$41,643	33.93%

Program Description

The Montana Science and Technology Alliance manages two investment funds for the purpose of strengthening entrepreneurial business development in Montana by encouraging the utilization of innovative technology for the benefit of the state's economy. The **Seed Capital Investment program** has $7.5 million of the In-State Investment Fund (part of the Coal Severance Tax Trust Fund) for investment in new and expanding technology-based businesses in Montana. The **Research and Development Financing program** assists in the accelerated development of technology by providing a source of funds to researchers and research organizations in Montana for projects that have technological and commercial potential. Financing under this program will be directed toward continuing the Technology Centers of Excellence program located within the Montana University System.

Language

"All revenue deposited in the science and technology development special revenue account (section 90-3-305, MCA) is appropriated to the Montana Board of Science and Technology Development."

"[R & D Loans - SB 242] is contingent on passage and approval of Senate Bill No. 242." This bill was signed into law.

MONTANA SCIENCE & TECHNOLOGY ALLIANCE

Budget

Personal services increase by 60.6 percent due to: 1) vacancy savings of $43,000 in fiscal 1990; 2) the continuation of fiscal 1991 pay plan in the 1993 biennium; 3) an increase of $5,300 in the director's salary; 4) board per diem, budgeted at the fiscal 1991 appropriated level, which is $2,600 more than fiscal 1990 actual expenditures; and 5) the budget modification which adds $38,481 in fiscal 1992 and $38,392 in fiscal 1993. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of $8,266 in fiscal 1992 and $8,248 in fiscal 1993.

Operating expenses increase by 88.2 percent. The major increases are: 1) the addition of $81,925 in fiscal 1992 and $96,925 in fiscal 1993 for contracted services and legal fees; 2) inflationary adjustments of $10,000; 3) a rent increase of $2,700; 4) $4,500 in fiscal 1992 and $8,700 in fiscal 1993 because fiscal 1991 appropriated expenditures were used as a base rather than fiscal 1990 actual expenditures; 5) an indirect cost increase of $7,000 per year; and 6) the budget modification which adds $11,519 in fiscal 1992 and $11,608 in fiscal 1993.

The grant budget decreased 56.1 percent at the request of the department.

Budget Modification

	Executive				Legislature			
Modification Type	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93
1) R & D Loans-SB242					1.0	1.0	$100,000	$100,000

1) R & D Loans - SB242 - This modification implements Senate Bill No. 242, which authorizes the Montana Science & Technology Alliance to lend $5.1 million of in-state investment funds for research and development projects.

Funding

Funding is entirely from the general fund.

BOARD OF HOUSING

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	14.00	14.00	14.00	.00	14.00	14.00	.00	.00
Personal Services	322,711	394,205	378,437	15,768-	393,520	377,779	15,741-	17.27%
Operating Expenses	1,235,058	1,507,267	1,503,434	3,833-	1,580,183	1,584,016	3,833	21.73%
Equipment	13,169	147,450	147,450	0	3,950	3,950	0	1019.67%
Debt Service	1,499	0	0	0	0	0	0	-100.00%
Total Costs	$1,572,437	$2,048,922	$2,029,321	$19,601-	$1,977,653	$1,965,745	$11,908-	29.06%
Fund Sources								
Proprietary Fund	1,572,437	2,048,922	2,029,321	19,601-	1,977,653	1,965,745	11,908-	29.06%
Total Funds	$1,572,437	$2,048,922	$2,029,321	$19,601-	$1,977,653	$1,965,745	$11,908-	29.06%

Program Description

The Montana Board of Housing, which is administratively attached to the department, is responsible for helping provide decent, safe, sanitary, and affordable housing to lower income individuals and families. The board operates single-family home ownership and multi-family rental housing programs, both through the issuance of revenue bonds, and through the allocation of federal tax credits. The proceeds are made available to individuals, private enterprise, and governmental entities. The board also operates a Reverse Annuity Mortgage Loan program to assist elderly lower income homeowners. This seven-member board is appointed by the Governor.

Budget

The budget increases 29.1 percent or $456,884. The 17.3 percent increase in personal services occurs because of $62,000 vacancy savings in fiscal 1990, the continuation of the 1991 pay plan in the 1993 biennium, and board per diem budgeted at the fiscal 1991 appropriated level, which is $2,000 more than was actually spent in fiscal 1990. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of $15,768 in fiscal 1992 and $15,741 in fiscal 1993.

Operating expenses increase $268,300 or 21.7 percent. Foreclosure fees are $805,000 in fiscal 1992 and $925,750 in fiscal 1993. This is an increase of $111,750 in fiscal 1992 and $232,500 in fiscal 1993 over fiscal 1990 actual expenditures. In addition, there are increases in: 1) contracted services for paying agent and trustee fees of $58,000 and legal fees of $6,300; 2) postage of $3,000; 3) indirect costs of $6,400; 4) maintenance contracts of $21,000; 5) inflationary adjustments of $38,500, and 6) increased audit costs of $700. Lastly, operating expenses increase $18,400 annually because the budget is based on fiscal 1991 appropriated expenditures rather than fiscal 1990 actual expenditures.

BOARD OF HOUSING

The equipment budget is for a MicoVax System, word processor, and a printer.

Funding

Funding for the program is provided by an administrative charge applied to mortgages that the board finances.

INVESTMENTS DIVISION

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	26.00	27.00	28.00	1.00	27.00	29.00	2.00	2.00
Personal Services	946,597	1,034,897	1,037,210	2,313	1,034,584	1,080,409	45,825	9.57%
Operating Expenses	427,221	640,856	643,326	2,470	560,572	565,731	5,159	50.58%
Equipment	13,449	36,000	36,000	0	12,000	12,000	0	167.68%
Total Costs	$1,387,267	$1,711,753	$1,716,536	$4,783	$1,607,156	$1,658,140	$50,984	23.74%
Fund Sources								
Proprietary Fund	1,387,267	1,711,753	1,716,536	4,783	1,607,156	1,658,140	50,984	23.74%
Total Funds	$1,387,267	$1,711,753	$1,716,536	$4,783	$1,607,156	$1,658,140	$50,984	23.74%

Program Description

The Board of Investments and its staff manage the Unified Investment program for public funds, required under Article VIII, Section 13. The program manages four investment portfolios: 1) the **Fixed Income** portfolio of over $2 billion is the largest of the portfolios managed, consisting of the long-term debt held by the board; 2) the **Equity** portfolio consists of common stock worth over $300 million; 3) the **Short Term Investment Pool (STIP)** portfolio consists of nearly $700 million in securities with maturities of less than one year; and 4) the **Residential Loan and Commercial Loan** portfolio consists of over $150 million of Montana residential and commercial loans. The board is also responsible for administration of several different programs which issue bonds for the purpose of assisting local governments, cities, and school districts, or providing funds to improve the state's economy. Programs administered by the board include the Economic Development Bond programs (Stand Alone and Pooled), Montana Conservation Reserve Payment Enhancement program, In-state Investment program, Municipal Consolidation Finance Act, and the Montana Cash Anticipation Finance program.

Budget

There is a 2.0 FTE increase from fiscal 1990 to fiscal 1992 and an additional 1.0 FTE increase in fiscal 1993. These FTE increases are due to the budget modifications shown in the table below. The 9.6 percent increase in personal services is the result of: 1) the additional FTE for $65,358 in fiscal 1992 and $108,806 in fiscal 1993; 2) board authorized increases for exempt staff in excess of the 1991 pay plan for approximately $22,000 per fiscal year; 3) the continuation of the fiscal 1991 pay plan for non-exempt employees in the 1993 biennium; and 4) fiscal 1990 vacancy savings. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of $43,217 in fiscal 1992 and $45,016 in fiscal 1993.

INVESTMENTS DIVISION

Operating expenses increase 50.6 percent because: 1) $152,000 was added in fiscal 1992 and $174,700 in fiscal 1993 for the portfolio management of the Conservation Reserve Program (CRP); 2) $20,500 per fiscal year was added because the budget is based on the fiscal 1991 appropriated level, rather than fiscal 1990 actual expenditures; 3) audit costs (which are budgeted in fiscal 1992 only) are $46,000 higher than fiscal 1990 actual expenditures; 4) adjustments were made for inflation, indirect costs, and travel; and 5) budget modifications add $2,479 in fiscal 1992 and $5,170 in fiscal 1993. The decrease between fiscal 1992 and fiscal 1993 is the audit costs.

The equipment budget is for computer equipment and software.

Budget Modifications

	Executive				Legislature			
Modification Type	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93
1) Additional FTE BOI/HFA	1.0	1.0		$45,069	1.0	1.0		$ 43,267
2) Portfolio Managers	—	—	—	—	1.0	2.0	—	138,546
Total	1.0	1.0	$0	$45,069	2.0	3.0	$0	$181,813

1) Additional FTE BOI/HFA - This modification will allow the Board of Investments to hire a bond program specialist to assist both the Investment Division and the Health Facilities Authority programs. Funding will be from the board's proprietary fund, with Health Facilities Authority funding part of the costs with contracted services/appropriations.

2) Portfolio Managers - This modification will allow the division to hire an additional 1.0 FTE Investment Portfolio Manager in fiscal 1992 and 2.0 FTE in fiscal 1993. Funding is from the division's proprietary fund account.

Funding

Funding for the program is from two proprietary fund accounts. One receives revenues from the Industrial Bond account and the CRP program, and the other receives administrative costs from earnings on funds invested by the board.

MONTANA STATE LOTTERY

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	35.00	36.00	36.00	.00	36.00	36.00	.00	1.00
Personal Services	899,888	1,038,856	997,376	41,480-	1,039,083	997,594	41,489-	10.83%
Operating Expenses	9,532,421	5,607,003	5,606,926	77-	5,286,058	5,285,981	77-	-41.18%
Equipment	66,033	0	0	0	55,500	55,500	0	-100.00%
Debt Service	189,993	0	0	0	0	0	0	-100.00%
Total Costs	$10,688,335	$6,645,859	$6,604,302	$41,557-	$6,380,641	$6,339,075	$41,566-	-38.21%
Fund Sources								
Proprietary Fund	10,688,335	6,645,859	6,604,302	41,557-	6,380,641	6,339,075	41,566-	-38.21%
Total Funds	$10,688,335	$6,645,859	$6,604,302	$41,557-	$6,380,641	$6,339,075	$41,566-	-38.21%

Program Description

The Montana Lottery program designs and markets lottery games which allow players to purchase chances at winning prizes. A five-member commission, appointed by the Governor, sets policy and oversees activities and procedures of the program. The Governor also appoints a program director who coordinates the lottery's marketing, operations, security, and administration. Under current law, revenue from lottery ticket sales are distributed with a minimum of 45 percent to prizes with the remaining net revenue, after commissions and operating expenses, transferred to the Office of Public Instruction (OPI) for distribution as state equalization aid to the public schools.

Budget

Personal services increase by 1.0 FTE which was transferred from the Promotions program. The increase of 10.8 percent reflects the FTE transfer (approximately $28,600 per fiscal year), vacancy savings realized in fiscal 1990 of approximately $59,200, and the continuation of the fiscal 1991 pay plan in the 1993 biennium. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of $41,557 in fiscal 1992 and $41,566 in fiscal 1993.

Operating expenses decease 41.2 percent as a net result of offsetting factors. Increases in the program budget for both current and modified levels are: 1) communications of $206,567; 2) data processing related to Lotto America increase of $276,852; 3) audit cost increases of $101,361; and 4) an indirect cost increase of $12,600. Offsetting these increases is a decrease in printing of $23,000. In addition, fiscal 1990 included $4,489,674 of prize expenditures from a statutory appropriation. These will be statutorily appropriated in the 1993 biennium and are not included in the operating expenditures in the table. The decrease from fiscal 1992

MONTANA STATE LOTTERY

to fiscal 1993 is the audit costs of $132,861 and a decrease in data processing costs of $191,000. The data processing costs are in the modified budget.

The equipment budget is from the modified budget shown in the table below.

The following table shows lottery revenue and its distribution for the last three fiscal years.

Table 1
Montana Lottery Revenue, Distribution and Ratios

	Fiscal 1988	Fiscal 1989	Fiscal 1990
REVENUE			
Ticket Sales	$21,787,581	$11,644,061	$21,502,463
Other	5,900	3,600	11,524
Interest	0	0	25,773
Retained Earning	753,617	(139,435)	(29)
Total Revenue	$22,547,098	$11,508,226	$21,539,731
DISBURSEMENTS			
Prizes	9,807,415	5,300,097	10,189,328
Commissions	1,210,074	669,313	1,352,477
Operating	3,275,128	2,763,240	5,828,528
Other	18,022	913	540
OPI	8,375,894	2,774,692	4,168,858
Total Expenses	$22,686,533	$11,508,255	$21,539,731
PROFIT	($139,435)	($29)	$0
RATIOS			
Op. Expenses/sales	0.1503	0.2373	0.2711
Prizes/sales	0.4501	0.4552	0.4739
Commissions/sales	0.0555	0.0575	0.0629
OPI/sales	0.3844	0.2383	0.1939

MONTANA STATE LOTTERY

Budget Modifications

	Executive				Legislature			
Modification Type	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93
1) Lotto America & On-Line Exp.				$6,742,565				$6,742,565
2) Vehicles Replacement	—	—	—	55,500	—	—	—	55,500
Total	0.0	0.0	$0	$6,798,065	0.0	0.0	$0	$6,798,065

1) Lotto America and On-Line Exp. - This modification will allow the department to continue participation in the interstate lottery and expand the on-line lottery games implemented during fiscal 1990.

2) Vehicle Replacement - This modification will allow the Lottery program to replace five vehicles. The vehicles, which are used by the field staff, have 100,000 miles.

Funding

The program is funded by a proprietary fund account which receives its revenues from a portion of the lottery proceeds.

BOARD OF HORSE RACING

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	5.78	4.78	4.78	.00	4.78	4.78	.00	-1.00
Personal Services	103,085	110,181	105,774	4,407-	110,311	105,899	4,412-	2.61%
Operating Expenses	124,952	195,341	195,341	0	194,921	194,921	0	56.33%
Equipment	410	2,000	2,000	0	2,000	2,000	0	387.80%
Total Costs	$228,447	$307,522	$303,115	$4,407-	$307,232	$302,820	$4,412-	32.69%
Fund Sources								
State Revenue Fund	228,447	307,522	303,115	4,407-	307,232	302,820	4,412-	32.69%
Total Funds	$228,447	$307,522	$303,115	$4,407-	$307,232	$302,820	$4,412-	32.69%

Program Description

The Board of Horse Racing program is responsible for regulating the horse racing industry, both live and simulcast. The program ensures compliance by the approximately 3,500 licensees with state laws and board rules. The board is responsible for the licensing of all racing personnel, establishment of race dates for various communities, establishment of veterinary practices and standards in connection with horse racing meets, and the auditing, supervision, and investigations related to the parimutuel racing system in Montana. The 1989 legislature expanded the scope of the Board of Horse Racing to include the licensing and regulation of simulcast horse racing.

Budget

Personal services increase 2.6 percent, despite the transfer of: 1) 1.0 FTE to the Director/Management Services program at a cost savings of $13,278 in fiscal 1992 and $13,133 in fiscal 1993; and 2) $32,345 in fiscal 1992 and $32,586 in fiscal 1993 from personal services to operating expenses to pay contracted services for those hired during the horse racing season. These decreases are offset by vacancy savings in fiscal 1990 of approximately $59,500. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of $4,407 in fiscal 1992 and $4,412 in fiscal 1993.

Operating expenses increase 56.3 percent due to: 1) the transfer of funds from personal services; 2) indirect cost increases of $5,400 per year; 3) using fiscal 1991 appropriations as the budget base, rather than fiscal 1990 actual expenditures; and 4) audit and network fee increases.

The equipment budget is for office equipment.

BOARD OF HORSE RACING

Funding

Funding for the program is from a 1 percent tax on gross betting receipts from parimutuel betting or, for simulcast facilities, actual cost to the board for regulating the meet, whichever is greater.

DIRECTOR/MANAGEMENT SERVICES

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	22.34	22.84	22.84	.00	22.84	22.84	.00	.50
Personal Services	666,074	735,916	706,480	29,436-	735,339	705,926	29,413-	6.07%
Operating Expenses	140,923	224,914	224,914	0	145,775	145,775	0	59.60%
Equipment	13,382	1,000	1,000	0	1,000	1,000	0	-92.53%
Total Costs	$820,379	$961,830	$932,394	$29,436-	$882,114	$852,701	$29,413-	13.65%
Fund Sources								
General Fund	95,067	107,383	104,004	3,379-	107,201	103,820	3,381-	9.40%
Proprietary Fund	725,312	854,447	828,390	26,057-	774,913	748,881	26,032-	14.21%
Total Funds	$820,379	$961,830	$932,394	$29,436-	$882,114	$852,701	$29,413-	13.65%

Program Description

The Director's Office and Management Services program consists of four areas. The **Director's Office** assists the department with executive, administrative, legal, and policy guidance. This office acts as the liaison among private business, local governments, administratively attached boards, public and private interest groups, the legislature, Indian tribes, individuals, and the Governor's office in the effort to improve and stabilize the economic climate in Montana. The **Management Services Division** provides internal support to all agency programs. Services provided include budgeting, accounting, purchasing, contracting, personnel administration, payroll, training, and the analysis, development, maintenance, and supervision of department data processing systems and hardware. **Legal Services** provide legal counsel to the department director and legal supervision and overview for all other agency attorneys. The **Consumer Affairs** unit provides information and assistance to Montana consumers regarding unfair methods of competition or deceptive acts in the conduct of any trade or commerce. The unit administers the Proprietary Post-secondary Schools program, which establishes minimum criteria for licensing and the "Lemon Law" statute when disputes arise between a purchaser and manufacturer of a new motor vehicle.

Budget

FTE increase a net of 0.5 as a result of 1.0 FTE being transferred from the Board of Horse Racing and a 0.5 FTE being transferred to the Office of Research and Information Services program. The net increase in FTE increases costs by approximately $13,700 per fiscal year. The remainder of the increase is due to: 1) vacancy savings of approximately $29,500 in fiscal 1990; and 2) the

DIRECTOR/MANAGEMENT SERVICES

continuance of the fiscal 1991 pay plan. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of $29,436 in fiscal 1992 and $29,413 in fiscal 1993.

Operating expenses increase 59.6 percent because: 1) audit fees are $57,491 higher in fiscal 1992 than fiscal 1990 actual expenditures; 2) the budget was based on fiscal 1991 appropriated levels, which were $17,200 higher than fiscal 1990 actual expenditures; and 3) of inflation and increased network costs. The audit cost (a biennial appropriation in fiscal 1992) is the reason for the decrease in operating costs from fiscal 1992 to fiscal 1993.

The equipment budget will allow for the purchase of a laser printer.

Funding

The Director/Management Services Program contains three programs which are financed with general fund and proprietary funds. The following table details the funding of each of these programs.

Table 1
Director/Management Services Funding

		Fiscal 1992			Fiscal 1993		
	FTE	General Fund	Proprietary Funds	Total Funds	General Fund	Proprietary Funds	Total Funds
Management Services	14.84		$577,267	$577,267		$497,646	$497,646
Consumer Protection	2.5	102,572		102,572	$102,388		102,388
Director's Office	5.5	1,432	251,123	252,555	1,432	251,235	252,667
Total Funding	22.84	$104,004	$828,390	$932,394	$103,820	$748,881	$852,701

The general fund provides funding for the consumer protection unit and $1,432 each fiscal year for the County Printing Board, which is administratively attached to the department. The remainder of the program is funded by indirect costs assessed to the other programs in the department.

INSTITUTIONS AND CULTURAL EDUCATION

MONTANA ARTS COUNCIL

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	7.97	7.97	7.97	.00	7.97	7.97	.00	.00
Personal Services	213,218	225,935	225,935	0	225,578	225,578	0	5.96%
Operating Expenses	178,554	203,350	218,371	15,021	206,030	202,902	3,128-	22.30%
Equipment	3,374	0	1,797	1,797	0	0	0	-46.74%
Grants	178,856	236,709	593,600	356,891	236,709	20,000	216,709-	231.89%
Total Costs	$574,002	$665,994	$1,039,703	$373,709	$668,317	$448,480	$219,837-	81.13%
Fund Sources								
General Fund	131,169	133,695	139,513	5,818	134,476	121,921	12,555-	6.36%
State Revenue Fund	94,159	154,830	116,778	38,052-	155,239	116,771	38,468-	24.02%
Federal Revenue Fund	348,674	377,469	783,412	405,943	378,602	209,788	168,814-	124.68%
Total Funds	$574,002	$665,994	$1,039,703	$373,709	$668,317	$448,480	$219,837-	81.13%

Agency Description

As authorized by Section 22-2-101, MCA, the Montana Arts Council exists to encourage the study and presentation of the arts in Montana and to stimulate public interest and participation. It cooperates with public and private institutions engaged in artistic and cultural activities, in all disciplines; recommends appropriate methods to encourage participation in and appreciation of the arts, which meet the needs and aspirations of persons in all parts of the state; fosters interest in the state's cultural heritage and expands the state's cultural resources; and encourages and assists freedom of artistic expression essential for the well-being of the arts through on-going programs, council initiated projects. Under Section 22-2-301, MCA, the council administers the Cultural & Aesthetic Projects biennial grants program, in which applications are reviewed by a citizens' advisory panel and final allocations are made by the legislature.

Budget

The pay plan increase for fiscal 1992 and fiscal 1993 (HB 509) is not included in the table above. In volume I of this report in the "Pay Plan" section is a description of the pay plan increase and a table showing allocations to each agency.

No vacancy savings is applied to the personal services budget of the Montana Arts Council during the 1993 biennium. Personal services increase 6.0 percent from fiscal 1990 to fiscal 1992 due to the continuation of the fiscal 1991 pay plan increase in the 1993 biennium and vacancy savings that occurred in fiscal 1990.

MONTANA ARTS COUNCIL

Operating expenses increase 22.3 percent from fiscal 1990 expenditures primarily due to: 1) the addition of $19,000 in honorariums paid to artists who participate in the artist in school program; 2) a $2,000 increase in audit costs; 3) $2,000 increase in consulting services; 4) $2,500 increase in office space rent; 5) $3,235 added for statewide indirect costs, which had not been paid in 1990, and 6) $8,300 in contracted services associated with the federal modification.

The legislature included $1,797 in equipment for the purchase of a FAX machine and $336 each year in operations for a dedicated telephone line for this purpose.

The legislature approved a biennial appropriation of $573,600 in federal funds for distribution as grants to local communities and school districts. The legislature also appropriated $20,000 each year in grant funds from the general fund.

Budget Modifications

	Executive				Legislature			
Modification Type	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93
1) Cultural & Aesthetic Grants				$70,000				$ 35,000
2) Federal funds								254,200
Total	0.0	0.0	$0	$70,000	0.0	0.0	$0	$289,200

1) Cultural and Aesthetic Grants - This modification adds $35,000 as a biennial appropriation in federal grant authority to match a grant anticipated from the Cultural & Aesthetic Grant program. Together, these funds will be awarded as rural arts initiative grants and for art education programs in public schools.

2) Increased Federal Authority - The Montana Arts Council received notification that additional federal monies of $254,200 will be available in the 1993 biennium. The legislature appropriated the grants portion of this modification ($231,130) as a biennial appropriation. The balance of $11,535 each year was added to operations.

MONTANA ARTS COUNCIL

Funding

Approximately 26 percent of the operating budget is funded from the general fund. The legislature approved $66,778 for fiscal 1992 and $66,771 for fiscal 1993 of interest from the Parks Acquisition Trust Fund for the purpose of administering the Cultural and Aesthetic grants and the cost of the advisory council (Section 22-2-304, MCA). The legislature appropriated $50,000 each year of community match funds (state special) used to pay artists participating in the Artist in the Schools program. Federal funds are received from the National Endowment for the Arts. The legislature appropriated $209,812 in fiscal 1992 and $209,788 in fiscal 1993 of these federal funds for operations and $573,600 of these federal funds as a biennial appropriation for grants.

Other Legislation

HB 9 - Cultural & Aesthetic Grant Awards - The legislature appropriated $1,296,080 to the Montana Arts Council in grants awarded to various recipients throughout the state (see Long Range Planning section of this report). The Arts Council is responsible for monitoring the distribution of these grants. Included among these grants are two which are to fund programs of the Montana Arts Council: $50,000 for the Montana Folklife program and $35,000 for the Rural Arts Organization and Development and the Artists in Schools program.

LIBRARY COMMISSION

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	28.76	29.50	29.50	.00	29.50	29.50	.00	.74
Personal Services	672,389	766,146	756,552	9,594-	765,320	755,742	9,578-	12.52%
Operating Expenses	469,496	491,439	527,993	36,554	494,154	491,262	2,892-	12.46%
Equipment	164,203	113,342	149,434	36,092	115,785	152,506	36,721	-9.00%
Grants	546,590	1,013,315	1,890,012	876,697	1,010,386	367,148	643,238-	245.78%
Transfers	0	325,000	650,000	325,000	325,000	0	325,000-	.00%
Debt Service	59,576	0	0	0	0	0	0	-100.00%
Total Costs	$1,912,254	$2,709,242	$3,973,991	$1,264,749	$2,710,645	$1,766,658	$943,987-	107.82%
Fund Sources								
General Fund	569,230	957,759	1,254,844	297,085	962,091	993,036	30,945	120.45%
State Revenue Fund	496,125	409,161	403,873	5,288-	406,232	390,345	15,887-	-18.60%
Federal Revenue Fund	846,899	1,342,322	2,315,274	972,952	1,342,322	383,277	959,045-	173.38%
Total Funds	$1,912,254	$2,709,242	$3,973,991	$1,264,749	$2,710,645	$1,766,658	$943,987-	107.82%

Agency Description

As authorized in Title 22, Chapter 1, MCA, the Montana State Library is responsible for providing assistance and advice to all tax-supported libraries and to citizens and local governments that may wish to establish and improve libraries. It administers certain state and federal funding to libraries throughout Montana. It administers the State Library, which: 1) provides information service to state government; 2) provides referral and back-up service to all libraries in the state; 3) provides direct library service to all blind and physically handicapped Montana residents; 4) is responsible for distribution centers of state documents; 5) is responsible for the Natural Resource Information System and the Natural Heritage Program under Section 90-15-101, MCA; and 6) aids in the development of library services statewide. It also oversees the six federations of libraries, does policy development, and long-range planning and coordination of library service throughout the state.

Budget

The pay plan increase for fiscal 1992 and fiscal 1993 (HB 509) is not included in the table above or in the program tables. In volume I of this report in the "Pay Plan" section is a description of the pay plan increase and a table showing allocations to each agency.

LIBRARY COMMISSION

Despite the vacancy savings reduction of 2 percent applied to the agency during the 1993 biennium, personal services increase 12.5 percent over fiscal 1990 due to: 1) the addition of 1.0 FTE to the Library for the Blind and Physically Handicapped; 2) vacancy saving that occurred in 1990; and 3) the continuation of the fiscal 1991 pay plan increase in the 1993 biennium. Offsetting the addition of 1.0 FTE is the reduction of 0.26 FTE due to the completion in fiscal 1990 of an appropriation from private Kellogg Foundation funds.

Operating expenses increase by 12.5 percent from fiscal 1990 to fiscal 1992 primarily as a result of: 1) the addition of a biennial appropriation of $25,162 to support state assistance to local libraries in fiscal 1992; 2) an additional $2,000 per year for the library for the blind and physically handicapped; 3) increased audit costs of $4,000; 4) increased Western Library Network fees of $7,500; 4) $2,000 for increased travel for commission members; 5) increased contracts with library network services of $3,500; 6) increased network fees of $4,000; and 7) increased printing and photocopy costs of $5,500.

Equipment includes: 1) $3,790 for office equipment; 2) $10,000 for library network terminals in fiscal 1992; 3) $4,700 for personal computers; and 4) $1,300 in fiscal 1993 for office equipment. The budget for books and periodicals increased from $102,700 in 1990 to $130,600 in fiscal 1992 and $146,506 in fiscal 1993.

Grants include: 1) $283,000 general fund per year for continuation of state assistance to local libraries provided in House Bill 193 of the 51st Legislature; 2) $233,459 for a general fund biennial appropriation for state assistance to local libraries; 3) $87,077 in fiscal 1992 and $84,148 in fiscal 1993 from coal tax revenue; and 4) $1,286,476 as a biennial appropriation of federal funds passed through to local libraries and library federations.

The legislature also approved a $650,000 biennial appropriation from federal and private funds with Legislative Contract Authority (LCA) for the Natural Resource Information System (NRIS). This appropriation, budgeted as a transfer, will enable the NRIS to utilize funds received through contracts with federal agencies and private sources without going through the budget amendment process. There are reporting requirements tied to this appropriation, and the legislative intent is that it not to be considered as current level in future budget requests.

LIBRARY COMMISSION

Budget Modifications

	Executive				Legislature			
Modification Type	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93
1) Blind & Physically Handicapped	1.0	1.0	$42,125	$ 42,125	1.0	1.0	$ 41,416	$ 41,416
2) Library of Congress Dues							4,500	4,500
3) Local Library Assistance							258,621	258,621
4) WLN Terminals								10,000
5) NRIS Contract Authority				650,000				650,000
Total	1.0	1.0	$42,125	$692,125	1.0	1.0	$304,537	$ 964,537

Funding

General fund has increased by 120.5 percent from 1990 to 1992 due primarily to three factors: 1) the budget modification for the library for the blind and physically handicapped; 2) increased state assistance to local libraries; and 3) increased personal services. State special funds have gone down due to the declining revenues from the coal tax. Federal funds increase over fiscal 1990 to anticipated revenue levels and federal legislative contract authority in the NRIS program.

Other Legislation

HB 6 - Water Development Grants - The legislature awarded the Montana State Library a water development grant of $58,364 to develop a drought monitoring system with the NRIS program. This grant is appropriated to the Department of Natural Resource and Development but will be passed through to the Library. The appropriations in HB 6 are described in further detail in the Long Range Planning section of this report.

STATE LIBRARY OPERATIONS

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	24.71	25.50	25.50	.00	25.50	25.50	.00	.79
Personal Services	570,850	656,791	649,384	7,407-	655,876	648,487	7,389-	13.76%
Operating Expenses	320,216	352,294	388,848	36,554	355,098	352,206	2,892-	21.43%
Equipment	130,151	108,342	144,434	36,092	110,785	147,506	36,721	10.97%
Grants	546,590	1,013,315	1,890,012	876,697	1,010,386	367,148	643,238-	245.78%
Total Costs	$1,567,807	$2,130,742	$3,072,678	$941,936	$2,132,145	$1,515,347	$616,798-	95.99%
Fund Sources								
General Fund	569,230	957,759	1,254,844	297,085	962,091	993,036	30,945	120.45%
State Revenue Fund	203,689	158,161	167,431	9,270	155,232	153,905	1,327-	-17.80%
Federal Revenue Fund	794,888	1,014,822	1,650,403	635,581	1,014,822	368,406	646,416-	107.63%
Total Funds	$1,567,807	$2,130,742	$3,072,678	$941,936	$2,132,145	$1,515,347	$616,798-	95.99%

Program Description

The Library Operations Program provides information services to state government and provides referral and back-up services to all libraries in the state. This program administers the state documents depository system and also functions as a partial depository for federal government publications. Because of the central role of its collection, the State Library works to coordinate the development of library collections throughout the state. Overall administration handles the budgetary, personnel, and coordination functions of the State Library. Staff consultation and services are provided to individual libraries, and direction is given to the six federations of libraries throughout Montana. Public library services for blind, visually and physically handicapped Montanans who are unable to read standard print are provided by the Montana State Library for the Blind and Physically Handicapped.

Language

"[Library of Congress Dues] may not be included in the current level base in the agency budget request for the 1995 biennium."

"In the event coal severance tax allocated to the state library under 15-35-108(3)(f) exceeds the amounts appropriated to the state library for fiscal 1992 and 1993, the additional funds are appropriated to the State Library Commission for pass through to the library federations."

STATE LIBRARY OPERATIONS

Budget

Despite a vacancy savings rate of 2 percent, personal services increase 13.8 percent due to: 1) vacancy savings that occurred in fiscal 1990; 2) the continuation of the fiscal 1991 pay plan in the 1993 biennium; and 3) the addition of 1.0 FTE to the library for the blind and physically handicapped. Offsetting the addition of 1.0 FTE is the reduction of 0.21 FTE due to the completion in fiscal 1990 of an appropriation from private Kellogg Foundation funds.

Operating expenses increase by 21.4 percent from fiscal 1990 to fiscal 1992 as a result of: 1) a $25,162 biennial appropriation to support state assistance to local libraries in fiscal 1992; 2) $2,000 added to the library for the blind and physically handicapped; 3) increased audit costs of $4,000; 4) Western Library Network fees of $7,500; 5) $2,000 for increased travel for commission members; 6) increased contracts with library network services of $3,500; 7) increased network fees of $4,000; 8) increased printing and photocopy costs of $5,500; 9) increased communications costs of $5,000; and 10) increased rent to the Department of Administration of $10,000.

The budget for books and periodicals was increased from the 1990 level of $102,753 to $130,644 in fiscal 1992 and $146,506 in fiscal 1993. Office equipment was approved at $13,790 for fiscal 1992 and $1000 in fiscal 1993.

Grants for the 1993 biennium include: 1) $87,077 in fiscal 1992 and $84,148 in fiscal 1993 from coal severance tax collections; 2) $200,000 each year of general fund for interlibrary loans; 3) $83,000 general fund each year for grants to library federations on a $1,000 per library basis; 4) $233,459 biennial general fund appropriation for state grants to local libraries based on a per capita/per sq. mile basis; and 5) $1,286,476 as a biennial appropriation from federal funds.

Budget Modifications

	Executive				Legislature			
Modification Type	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93
1) Blind & physically handicapped	1.0	1.0	$42,125	$42,125	1.0	1.0	$ 41,416	$ 41,416
2) Library of Congress dues							4,500	4,500
3) Local Library Assistance							258,621	258,621
4) WLN Terminals	—	—	—	—	—	—	—	10,000
Total	1.0	1.0	$42,125	$42,125	1.0	1.0	$304,537	$314,537

STATE LIBRARY OPERATIONS

1) Library for Blind & Physically Handicapped - This modification adds 1.0 FTE and $41,416 general fund during the 1993 biennium to the library for the blind and physically handicapped. This library has experienced a 93 percent increase in the number of books loaned and a 36 percent increase in the number of users over the last 10 years.

2) Library of Congress Dues - This modification adds $1,500 in fiscal 1992 and $3,000 in fiscal 1993 to pay the dues required for the State Library to have access to the Library of Congress computer data system. The State Library will evaluate the value of participating in this system during the biennium and will report to the 1993 legislature.

3) State Aid to Libraries (biennial appropriation) - This modification increases the amount of general fund assistance to the local libraries by $258,621. Of this amount, $25,162 will be used for library administration and the remaining $233,459 will be awarded to local libraries as grants distributed on a per capita/per square mile basis.

4) Western Library Network Terminals - The legislature appropriated $10,000 from the coal tax revenues earmarked to the library to purchase new computer terminals which will be used on the Western Library Network interlibrary access system.

Funding

Approximately 49 percent of the cost of the Library Operations program is funded from the general fund. General fund increases are due primarily to the budget modifications and continuation of state assistance to local libraries. The coal tax revenues earmarked to the Library Commission under Section 15-35-108, MCA, are to be used for the costs associated with interlibrary networking and grants to library federations. Federal funds of approximately $370,000 each year are used within the library commission for operations. The remainder of federal funds consist of grants to local libraries and federal library construction funds.

NATURAL RESOURCE INFORMATION SERVICES

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	4.05	4.00	4.00	.00	4.00	4.00	.00	-.05
Personal Services	101,539	109,355	107,168	2,187-	109,444	107,255	2,189-	5.54%
Operating Expenses	149,280	139,145	139,145	0	139,056	139,056	0	-6.79%
Equipment	34,052	5,000	5,000	0	5,000	5,000	0	-85.32%
Transfers	0	325,000	650,000	325,000	325,000	0	325,000-	.00%
Debt Service	59,576	0	0	0	0	0	0	-100.00%
Total Costs	$344,447	$578,500	$901,313	$322,813	$578,500	$251,311	$327,189-	161.67%
Fund Sources								
State Revenue Fund	292,436	251,000	236,442	14,558-	251,000	236,440	14,560-	-19.15%
Federal Revenue Fund	52,011	327,500	664,871	337,371	327,500	14,871	312,629-	1178.33%
Total Funds	$344,447	$578,500	$901,313	$322,813	$578,500	$251,311	$327,189-	161.67%

Program Description

The Natural Resource Information Services Program is designed to streamline management of the state's natural resource data and provide a standard system for the acquisition, storage, and retrieval of data statewide. It inventories existing data, provides access to data, and assists other state agencies in managing data. It is responsible for coordinating and consulting with other state agencies on the geographic information system and the rivers' study. This program also provides a water information system database. The program also administers the Montana natural heritage program, a database on rare or exemplary plants, animals, communities, and geological features.

Language

"The biennial appropriation for the [legislative contract authority] is subject to the following provisions:

(1) Legislative contract authority applies only to federal and private funds.

(2) Legislative contract authority expenditures must be reported on state accounting records. The records must be separate from current level operations.

(3) A report must be submitted by the Library Commission to the Legislative Fiscal Analyst following the end of each fiscal year of the biennium. The report must include a listing of projects with the related amount of expenditures for each project."

Budget

The fiscal 1990 actual figures shown do not represent the total operating costs of this program because, in addition to the funds appropriated in the general appropriations bill, the NRIS program received grants from the renewable resource grant program, which is funded with 8.0 percent of resource indemnity trust fund interest earnings. These grants have historically been the primary funding source of the program. Since RIT grants are appropriated for the biennium only, they are not considered current level funding base.

In order to provide the NRIS program with a funding source which would provide continuity from biennium to biennium, the legislature appropriated $186,873 in fiscal 1992 and $186,872 in fiscal 1993 from the RIT interest, $49,569 in fiscal 1992 and $49,568 in fiscal 1993 of Fish, Wildlife, and Parks state special funds, and $14,871 each year of federal funds. This will provide a stable funding source for the NRIS program and will establish an operating base which will be included in the general appropriation bill each session. The legislature also appropriated $650,000 as a biennial appropriation in Legislative Contract Authority from federal and private sources which, for budget purposes, is shown as a transfer.

The NRIS budget includes 4 FTE for each year of the 1993 biennium. Operating expenses of $139,145 include $123,000 in contracts with non-profits. Budgeted equipment includes $3,700 for computer hardware and $1,300 for software.

Budget Modification

	Executive				Legislature			
Modification Type	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93
1) NRIS Contract Authority	0.0	0.0	$0	$650,000	0.0	0.0	$0	$650,000

1) NRIS Contract Authority - The legislature authorized a biennial appropriation of $650,000 for legislative contract authority to enable the Natural Resource Information System (NRIS) to enter into contracts with federal agencies and private interests and spend the funding available from these contracts without a budget amendment. The agency may establish FTE if necessary to carry out the scope of these contracts.

NATURAL RESOURCE INFORMATION SERVICES

Funding

The legislature appropriated from three primary funding sources for the NRIS program. These are: 1) RIT interest of $186,873 for fiscal 1992 and $186,872 for fiscal 1993; 2) Fish, Wildlife, and Parks state special funds of $49,569 for fiscal 1992 and $49,568 for fiscal 1993; and 3) Federal funds of $14,871 per year. In addition, the legislature appropriated $650,000 of legislative contract authority as a biennial appropriation for funds received from federal or private contracts.

HISTORICAL SOCIETY

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	49.28	48.28	47.88	.40-	48.28	47.88	.40-	-1.40
Personal Services	1,180,018	1,295,036	1,262,057	32,979-	1,293,808	1,260,963	32,845-	6.95%
Operating Expenses	725,855	839,325	818,249	21,076-	832,224	788,171	44,053-	12.73%
Equipment	77,151	68,705	61,524	7,181-	22,061	20,757	1,304-	-20.26%
Grants	134,616	350,000	350,000	0	350,000	350,000	0	160.00%
Transfers	45,879	48,069	48,069	0	48,439	48,439	0	4.77%
Debt Service	71	0	0	0	0	0	0	-100.00%
Total Costs	$2,163,590	$2,601,135	$2,539,899	$61,236-	$2,546,532	$2,468,330	$78,202-	17.39%
Fund Sources								
General Fund	1,150,705	1,260,571	1,272,078	11,507	1,233,542	1,227,647	5,895-	10.55%
State Revenue Fund	200,286	194,628	136,106	58,522-	194,289	135,716	58,573-	-32.05%
Federal Revenue Fund	397,089	633,545	627,563	5,982-	609,127	599,100	10,027-	58.04%
Proprietary Fund	415,510	512,391	504,152	8,239-	509,574	505,867	3,707-	21.33%
Total Funds	$2,163,590	$2,601,135	$2,539,899	$61,236-	$2,546,532	$2,468,330	$78,202-	17.39%

Agency Description

The Montana Historical Society exists for the use, learning, culture, and enjoyment of the citizens of the state and for the collection, preservation and interpretation of Montana's material culture including artifacts, art, documents and records. The society maintains a library, an art gallery, a museum, and historical exhibits; publishes the state historical magazine, a newsletter and other historical works; and provides educational information for travelers and the general public. The agency also administers the National Historic Preservation Act and the State Antiquities Act. The Historical Society was established in 1865 and is authorized in Section 22-3-101, MCA.

Language

"The Montana Historical Society has submitted for review plans for up to $95,000 in private funds for the 1993 biennium. The Montana Historical Society is to present a summary report to its appropriations subcommittee during the 1993 legislature which lists the projects funded with these private funds and the expenditures for each project. These funds are not subject to appropriation and are not included in the above totals. This language is contingent upon passage of House Bill 45." Because House Bill 45 was not

enacted into law, appropriation authority to spend these private funds will need to be acquired through a properly certified and approved budget amendment.

Budget

The pay plan increase for fiscal 1992 and fiscal 1993 (HB 509) is not included in the table above or in the program tables. In volume I of this report in the "Pay Plan" section is a description of the pay plan increase and a table showing allocations to each agency.

The number of FTE decreases by 1.4 from fiscal 1990 to fiscal 1992 due to: 1) 1.0 FTE associated with a one-time appropriations which ended in fiscal 1991 is not continued into the 1993 biennium; and 2) the transfer of the funding of a 0.4 FTE maintenance worker from general fund to the accommodations tax statutory appropriation. Since the accommodations tax is statutorily appropriated, it is not included in House Bill 2.

Despite the removal of 1.4 FTE from the current level budget and the 2 percent personal service imposed on all agency staff during the 1993 biennium, total personal services increase 7.0 percent as a result of: 1) vacancy savings which occurred in fiscal 1990; and 2) continuation of the fiscal 1991 pay plan increase in the 1993 biennium.

Operating expenses increase from fiscal 1990 to fiscal 1992 by 12.7 percent due to: 1) a $60,000 increase in the cost of goods purchased for resale; 2) a $38,000 increase in contracted services (primarily in the area of consulting services and audit fees) budgeted in fiscal 1992; and 3) an additional $7,654 for travel for members of the citizen board.

Equipment for fiscal 1992 includes: 1) $30,000 for security equipment for the museum; 2) $5,845 for office equipment; 3) $10,260 for books; and 4) $15,419 for computer equipment. For fiscal 1993 equipment includes: 1) $5,845 for office equipment; 2) $10,774 for books; and 3) $4,138 for computers.

Grants of $350,000 each year from federal funds are awarded to local governments for historic sites preservation and restoration.

The transfer reflects the general fund support for the publication Montana, the Magazine of Western History. General fund is transferred into the proprietary account from which the magazine operates, in accordance with accounting principles.

HISTORICAL SOCIETY

Budget Modifications

Modification Type	Executive FTE FY92	Executive FTE FY93	Executive General Fund 92-93	Executive Total 92-93	Legislature FTE FY92	Legislature FTE FY93	Legislature General Fund 92-93	Legislature Total 92-93
1) Board member travel			$15,308	$ 15,308			$15,308	$ 15,308
2) Museum security			30,000	30,000			30,000	30,000
3) Proprietary fund increase				60,000				60,000
4) Milwaukee Mitigation				13,500				13,500
5) Personal computers				11,400				11,400
6) Capitol tour guides	—	—	—	—	—	—	51,667	51,667
Total	0.0	0.0	$45,308	$130,208	0.0	0.0	$96,975	$181,875

These budget modifications are described in the program narratives.

Funding

The budget of the Historical Society is funded approximately 50 percent by general fund. Other funding sources include federal National Park Service funds, state special revenue funds from donations and trust fund interest earnings, and proprietary funds generated by the sales of various publications and museum store sales. The general fund increases by 10.5 percent as a result of increased personal services costs, which are funded primarily from the general fund. The decline in the state special revenue funds results from the elimination of one-time appropriations and the removal of the statutory appropriation. Proprietary funds are increased to anticipated operating requirements.

Other Legislation

HB 9 - Cultural & Aesthetic grants - The Historical Society is a recipient of a $73,400 biennial grant from the Cultural and Aesthetics grants program for the Oral History office. While these funds are appropriated directly to the Montana Arts Council, the Historical Society will receive an administrative appropriation to administer this grant.

ADMINISTRATION PROGRAM

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	15.38	13.50	13.50	.00	13.50	13.50	.00	-1.88
Personal Services	363,678	361,508	354,620	6,888-	361,047	354,166	6,881-	-2.49%
Operating Expenses	280,663	292,413	274,240	18,173-	294,878	260,003	34,875-	-2.29%
Equipment	400	0	0	0	0	0	0	-100.00%
Total Costs	$644,741	$653,921	$628,860	$25,061-	$655,925	$614,169	$41,756-	-2.46%
Fund Sources								
General Fund	487,754	483,508	512,706	29,198	486,016	498,553	12,537	5.12%
State Revenue Fund	89,798	132,948	82,762	50,186-	132,441	82,233	50,208-	-7.84%
Federal Revenue Fund	67,189	37,465	33,392	4,073-	37,468	33,383	4,085-	-50.30%
Total Funds	$644,741	$653,921	$628,860	$25,061-	$655,925	$614,169	$41,756-	-2.46%

Program Description

The Administration program provides supervision, administration, and coordination of the five programs in the Historical Society. Program staff are responsible for the effective management, planning, direction, and leadership of the society as a whole. Activities include public information, payroll/personnel, fund raising, financial reporting, business management, security and building management. In addition, the program provides tours and travelling exhibits for the public.

Language

"[Capitol tour guides] is contingent upon the failure of Senate Bill No. 411."

In response to a legislative audit, Senate Bill 411 was introduced to authorize the Historical Society to continue to use accommodation tax revenues to fund the capitol tour guide program (which had been the practice during the past two bienniums). Under existing law, these funds are statutorily appropriated to the Historical Society for the establishment and maintenance of historic sites. In order to insure that the tour guide program continued if SB 411 failed, the 52nd Legislature added general fund for this purpose. Because SB 411 failed, the tour guides will be supported by general fund in the 1993 biennium.

ADMINISTRATION PROGRAM

Budget

The number of FTE in this program decrease 1.88 because: 1) the assistant director position was transferred to the Library program; and 2) two part-time positions (a 0.50 grade 7 administrative aide and a 0.38 grade 6 shipping clerk) were transferred to the Magazine program.

Reductions in operating expenses result from the termination of a $39,140 federal National Endowment for the Humanities grant in fiscal 1990. Significant offsetting additions in fiscal 1992 include: 1) inflationary adjustments of $4,251; 2) insurance and bond increases of $2,818; 3) audit costs of $16,707 for the 1993 biennium (while only $1,622 in audit costs were expended in fiscal 1990); 4) Department of Administration rent increases of $5,133; and 5) an additional $7,654 for travel expenses of the Historical Society's citizen board.

Budget Modification

	Executive				Legislature			
Modification Type	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93
1) Board Member Travel	0.0	0.0	$15,308	$15,308	0.0	0.0	$15,308	$15,308
2) Capitol Tour Guides	---	---	---	---	0.0	0.0	$51,667	$51,667
Total	0.0	0.0	$15,308	$15,308	0.0	0.0	$66,975	$66,975

1) Honoraria and Travel for Board Members - The Montana Historical Society is overseen by a 15-member citizen board, which meets at least four times each year and more frequently if called. The legislature approved this budget modification of $7,654 each year of the 1993 biennium from the general fund to provide funding to reimburse members of the board for their travel expenses, including meals, mileage, and lodging, as well as honoraria of $50 per meeting day per member.

In the 1991 biennium, the society did not have an appropriation for this purpose. Currently, several members of the board are submitting travel expense claims for each meeting. Payments (which totaled $1,668 in fiscal 1990) were made from the director's travel budget. No claims for travel reimbursement were made in either fiscal 1988 or fiscal 1989. The society has made no honoraria payments.

ADMINISTRATION PROGRAM

2) Capitol Tour Guides - During the 1991 biennium, the legislature funded 1.5 FTE for the capitol tour guides from the accommodations tax revenue which is statutorily appropriated to the Historical Society. Because use of these funds for this purpose was called into question by the Legislative Auditor, the legislature has appropriated this function from the general fund for this function for the 1993 biennium. While this modification changes the funding for 1.5 FTE, it does not result in an increased FTE.

Funding

The capitol tour guides will be funded from the general fund for the 1993 biennium. These positions had been funded from the accommodation tax revenues during the 1991 biennium. Over 80 percent of the administration program is funded with general fund. Other funding sources include donated funds of approximately $83,000 per year and $33,392 in fiscal 1992 and $33,383 in fiscal 1993 of federal funds as indirect costs from National Park Service grants.

LIBRARY PROGRAM

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	13.50	13.50	13.50	.00	13.50	13.50	.00	.00
Personal Services	330,875	369,133	360,210	8,923-	369,228	360,311	8,917-	8.87%
Operating Expenses	52,811	62,529	56,536	5,993-	62,503	56,415	6,088-	7.05%
Equipment	67,960	12,541	11,260	1,281-	13,078	11,774	1,304-	-83.43%
Total Costs	$451,646	$444,203	$428,006	$16,197-	$444,809	$428,500	$16,309-	-5.24%
Fund Sources								
General Fund	361,679	406,475	398,270	8,205-	406,913	398,625	8,288-	10.12%
State Revenue Fund	89,967	37,728	29,736	7,992-	37,896	29,875	8,021-	-66.95%
Total Funds	$451,646	$444,203	$428,006	$16,197-	$444,809	$428,500	$16,309-	-5.24%

Program Description

The Library program's purpose is to acquire, organize, preserve, and make accessible to the public published materials, historic records and manuscripts, photographs, and oral history illustrative of the history of Montana, the surrounding region, and the Trans-Mississippi West; and to assist researchers seeking information in these areas. The program is provided for in Section 22-3-103, MCA.

Budget

The Library budget decreases 5.2 percent due to removal of a one-time appropriation for a photo cataloging and archives information system, which terminated at the end of fiscal 1991.

Personal services increase 8.9 percent from fiscal 1990 to fiscal 1992 due to the continuation of the fiscal 1991 pay plan in the 1993 biennium and the transfer of 1.0 FTE from the Administration program at an annual cost of $37,400. A temporary position (1.0 FTE) was deleted from this program.

Operating expenses increase 7.0 percent due primarily to inflationary adjustments and increased computer network fees.

Equipment includes $1,000 for office equipment each year of the biennium and $10,260 in fiscal 1992 and $10,774 in fiscal 1993 for book acquisitions.

LIBRARY PROGRAM

Funding

General fund increases 10.1 percent due to increased personal service and operating costs. State special revenue decreases over $60,000 due to the termination of a one-time appropriation of donated funds at the end of the 1991 biennium.

State special revenue includes $26,590 in fiscal 1992 and $26,729 in fiscal 1993 from sales of copies of photographs and documents and $3,146 each year from the Teakle trust fund for the acquisition of specialized books.

MUSEUM PROGRAM

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	6.90	6.90	6.50	.40-	6.90	6.50	.40-	-.40
Personal Services	142,506	176,232	166,827	9,405-	176,073	166,775	9,298-	17.07%
Operating Expenses	62,611	66,636	66,636	0	66,682	66,682	0	6.43%
Equipment	1,279	30,275	30,275	0	275	275	0	2267.08%
Total Costs	$206,396	$273,143	$263,738	$9,405-	$243,030	$233,732	$9,298-	27.78%
Fund Sources								
General Fund	185,875	249,191	240,130	9,061-	219,078	210,124	8,954-	29.19%
State Revenue Fund	20,521	23,952	23,608	344-	23,952	23,608	344-	15.04%
Total Funds	$206,396	$273,143	$263,738	$9,405-	$243,030	$233,732	$9,298-	27.78%

Program Description

The Museum program was established to collect, preserve, and interpret the history of Montana through its material culture. The museum collects fine arts and historical, archeological, and ethnological artifacts from Montana and the general geographic region. The program interprets its collections through exhibits and educational activities.

Language

"The amendment made to [the Museum Program] that struck $219,191 and $219,078 is contingent upon the failure of Senate Bill No. 411."

Senate Bill 411 would have expanded the permissible uses of the accommodation tax revenue which is allocated to the Historical Society. This bill was not enacted. Since the legislature determined that a 0.4 FTE custodial position in the Museum program met the requirements of the current statute, this position was transferred from the general fund to the accommodation tax revenue, reducing the general fund appropriation by $6,000 per year. Because the accommodations tax is statutorily appropriated, the funding and the 0.4 FTE are not included in the general appropriations act or in the table above.

Budget

FTE are reduced by 0.4 FTE due to the legislature funding a part-time maintenance position for the old Governor's mansion from the accommodation tax funds, which are statutorily appropriated to the Historical Society by Section 15-65-121, MCA. Since these funds

are appropriated by statute, they do not appear in the House Bill 2. Despite these FTE reductions, personal services increase 17 percent from fiscal 1990 to fiscal 1992 primarily due to: 1) vacancy savings experienced when the exhibit designer position remained unfilled for much of fiscal 1990; and 2) the continuation of the fiscal 1991 pay plan increase in the 1993 biennium.

Operating expenses increase approximately 6.4 percent due to increases in supplies and building materials for museum exhibits and inflationary adjustments to the fiscal 1991 appropriated level.

Equipment for fiscal 1992 includes $30,000 of general fund to purchase security equipment to provide increased protection for the museum.

Budget Modification

	Executive				Legislature			
Modification Type	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93
1) Museum Security	0.0	0.0	$30,000	$30,000	0.0	0.0	$30,000	$30,000

1) Increased Security in Museum - The budget includes $30,000 general fund in fiscal 1992 to purchase and install 16 video cameras and five hand-held radios with base station and charger to increase security in the museum. Two of the cameras would be placed in the Charles M. Russell collection, one in the gallery, and the remainder in the Montana Homeland exhibit. The radios would be used while security personnel are patrolling the facility.

Funding

The Museum program is funded approximately 90 percent with general fund. State special revenue funds include $19,487 each year in donations and $4,121 each year from the sale of copies of photographs and documents.

PUBLICATIONS

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	6.00	6.88	6.88	.00	6.88	6.88	.00	.88
Personal Services	144,630	166,639	163,306	3,333-	166,259	162,934	3,325-	12.91%
Operating Expenses	270,680	353,174	353,861	687	342,764	342,077	687-	30.73%
Equipment	200	6,451	551	5,900-	551	551	0	175.50%
Transfers	45,879	48,069	48,069	0	48,439	48,439	0	4.77%
Total Costs	$461,389	$574,333	$565,787	$8,546-	$558,013	$554,001	$4,012-	22.63%
Fund Sources								
General Fund	45,879	48,442	48,135	307-	48,439	48,134	305-	4.92%
Federal Revenue Fund	0	13,500	13,500	0	0	0	0	.00%
Proprietary Fund	415,510	512,391	504,152	8,239-	509,574	505,867	3,707-	21.33%
Total Funds	$461,389	$574,333	$565,787	$8,546-	$558,013	$554,001	$4,012-	22.63%

Program Description

The Publications program (formerly the Magazine program) exists to fulfill one of the primary roles of the society: "to promote the study of Montana History by lectures and publications" (Section 22-3-108[15]), MCA). The program publishes Montana the Magazine of Western History and the Montana Post, the official newsletter of the society, on a quarterly schedule. It also publishes books under the Montana Historical Society Press imprint. In addition, the program is responsible for the operation of the retail and mail order museum store operation.

Language

"The proprietary authority for a statutorily required transfer of general fund in the Magazine program will be increased by the same amount as the pay plan increase for FTE supported by the general fund."

PUBLICATIONS

Budget

Despite the 2 percent vacancy savings reduction, personal services increased 12.9 percent as a result of 0.88 FTE being transferred from the Administration program into this program, vacancy savings that occurred in fiscal 1990, and the continuation of the fiscal 1991 pay plan increase in the 1993 biennium.

Operating expenses increase 30.7 percent due to: 1) a $12,000 per year increase in contracted services for contracts with a book review editor specializing in western history and an editorial specialist, and with Helena Industries to bag, label, and mail the magazine; 2) a $35,000 increase in merchandise purchased for resale; 3) $13,500 increased operating costs to research and publish the history of the Milwaukee Railroad line in Montana; 4) a $12,000 increase in postage and mailing costs; and 5) other inflationary and base adjustments of $7,100.

The budget includes $551 each year for office equipment.

Budget Modifications

	Executive				Legislature			
Modification Type	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93
1) Proprietary fund increase				$60,000				$60,000
2) Milwaukee Mitigation	---	---	---	13,500	---	---	---	13,500
Total	0.0	0.0	$0	$73,500	0.0	0.0	$0	$73,500

1) Merchandise Proprietary Fund Increase - A portion of the Publication program's budget is funded with revenue from the sale of merchandise. In prior years, sales have exceeded the original appropriated authority and the society has added authority via the budget amendment process. The legislature approved additional authority of $30,000 each year in proprietary funds to purchase additional merchandise for resale and for increased postage.

PUBLICATIONS

2) Milwaukee Road Disturbance Mitigation - Federal historic preservation laws require the federal Highway Administration through the Montana Department of Highways (DOH) to avoid or mitigate loss to significant historic or prehistoric resources. The Montana Historical Society has entered into an agreement with DOH to research, write, publish, and distribute a booklet on the Milwaukee Railroad line and its impact on Montana history. DOH has agreed to provide $15,000 of federal funds for this purpose. In fiscal 1991, the society spent $1,500 added by a budget amendment for project start-up. The legislature approved authority for the remaining $13,500 of federal funds for completion and distribution of the booklet.

Funding

The general fund pays personal service costs for 2.0 FTE involved in publishing Montana, the Magazine of Western History. The magazine is not self-sustaining and past legislatures have appropriated general funds to subsidize its publication.

Three accounts included in the proprietary funds are: 1) Historical Society enterprise ($225,341); 2) magazine sales ($220,315); and 3) Montana Historical Society Press ($58,496). The transfer allows the general fund appropriation to be spent from the proprietary account, in accordance with accounting principles.

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HISTORICAL SITES PRESERVATION

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	7.50	7.50	7.50	.00	7.50	7.50	.00	.00
Personal Services	198,329	221,524	217,094	4,430-	221,201	216,777	4,424-	9.46%
Operating Expenses	59,090	64,573	66,976	2,403	65,397	62,994	2,403-	13.35%
Equipment	7,312	19,438	19,438	0	8,157	8,157	0	165.84%
Grants	134,616	350,000	350,000	0	350,000	350,000	0	160.00%
Debt Service	71	0	0	0	0	0	0	-100.00%
Total Costs	$399,418	$655,535	$653,508	$2,027-	$644,755	$637,928	$6,827-	63.62%
Fund Sources								
General Fund	69,518	72,955	72,837	118-	73,096	72,211	885-	4.77%
Federal Revenue Fund	329,900	582,580	580,671	1,909-	571,659	565,717	5,942-	76.01%
Total Funds	$399,418	$655,535	$653,508	$2,027-	$644,755	$637,928	$6,827-	63.62%

Program Description

The staff of the Historical Sites Preservation program administer the federal Historic Preservation Act and the federal grants-in-aid for historic preservation. They also review all federally proposed projects within the state to determine their effect on historical properties listed in the National Register of Historic Places and those eligible for listing. The office certifies historic structures and rehabilitation projects for the federal tax credit offered in the Tax Reform Act of 1976 and oversees Montana's State Antiquities Act. The program awards federal grants to local governments and private entities and individuals under three grant programs: 1) the certified local government program; 2) acquisition & development; and 3) survey and planning. The program is authorized by Section 22-3-421, MCA.

Budget

Personal services increase by 9.5 percent, despite the application of 2 percent vacancy savings reduction, due to three factors: 1) vacancy savings which occurred in fiscal 1990; 2) the continuation of the fiscal 1991 pay plan increase into the 1993 biennium; and 3) the agency received a pay exception from the Department of Administration to fill the historic preservation officer position at a grade 14, step 13, instead of the budgeted step 2, resulting in an annual cost increase of $7,300. Due to the education and experience requirements of this position, the agency was unable to fill the position at a lower salary level.

HISTORICAL SITES PRESERVATION

Operating increases include: 1) $2,700 added to contracted services for radio carbon dating of archeological materials and inflationary adjustments; and 2) $3,000 for increased travel costs.

Equipment includes $4,019 for office equipment per year, $15,419 in fiscal 1992 for personal computers, and $8,157 in fiscal 1993 for office equipment.

Grants include $350,000 from federal sources each year to local governments for historic site preservation and restoration.

Budget Modification

	Executive				Legislature			
Modification Type	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93
1) Personal Computers	0.0	0.0	$0	$11,400	0.0	0.0	$0	$11,400

1) Computer Purchase - State law requires that the state's historic preservation officer conduct an ongoing statewide survey to identify and document heritage properties and paleontological remains and that a state inventory file (database) be maintained. If federal funds are involved in the completion of a project (such as highway construction), the area must be surveyed for possible historic and prehistoric resources so that the potential impact on those resources can be mitigated. The legislature approved this budget modification to add $11,400 in federal funds from the National Parks Service to purchase computer equipment that would allow daily access by the federal government and other interested parties to the state's historic preservation database. The equipment would also be used for word processing and other functions.

Funding

The general fund increases 4.8 percent due to increased personal services costs. Federal National Park Service funds are budgeted at the latest estimate.

DEPARTMENT OF INSTITUTIONS

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	2,080.78	1,884.90	2,051.82	166.92	1,847.08	2,017.29	170.21	-28.96
Personal Services	51,029,552	50,863,375	54,441,102	3,577,727	49,991,631	53,738,400	3,746,769	6.69%
Operating Expenses	16,165,976	18,381,408	20,258,945	1,877,537	18,594,076	18,558,655	35,421-	25.32%
Equipment	559,027	813,270	789,920	23,350-	572,923	607,506	34,583	41.30%
Capital Outlay	20,118	16,500	16,500	0	16,500	16,500	0	-17.98%
Grants	7,462,994	9,846,224	8,286,107	1,560,117-	9,402,671	7,947,399	1,455,272-	11.03%
Debt Service	19,753	150,767	150,767	0	144,225	144,225	0	663.26%
Total Costs	$75,257,420	$80,071,544	$83,943,341	$3,871,797	$78,722,026	$81,012,685	$2,290,659	11.54%
Fund Sources								
General Fund	64,465,440	67,254,695	71,060,011	3,805,316	66,513,246	68,768,739	2,255,493	10.23%
State Revenue Fund	3,974,270	4,831,158	4,817,677	13,481-	4,845,327	4,814,724	30,603-	21.22%
Federal Revenue Fund	4,485,984	4,986,781	4,981,583	5,198-	4,361,000	4,348,368	12,632-	11.05%
Proprietary Fund	2,331,726	2,998,910	3,084,070	85,160	3,002,453	3,080,854	78,401	32.27%
Total Funds	$75,257,420	$80,071,544	$83,943,341	$3,871,797	$78,722,026	$81,012,685	$2,290,659	11.54%

Agency Description

The Department of Institutions, authorized in Section 2-15-2301, MCA, is directed in Section 53-1-201, MCA, to "utilize at maximum efficiency the resources of state government in a coordinated effort to: 1) restore the physically or mentally disabled; 2) rehabilitate the violators of laws; 3) sustain the vigor and dignity of the aged; 4) train children of limited mental capacity to their best potential; 5) rededicate the resources of the state to the productive independence of its now dependent citizens; and 6) coordinate and apply the principles of modern institutional administration to the institutions of the state." The department staff seek to provide care and treatment services that will guarantee the rights of residents, comply with state and federal standards, and when possible, return residents of the institutions to a normal life in the community.

The department's six divisions are: 1) Central Operations, including the administratively attached Board of Pardons; 2) Corrections, which includes the Montana State Prison (MSP), Swan River Forest Camp (SRFC), the Women's Correctional Center (WCC), and community programs; 3) Mental Health, which includes Montana State Hospital (MSH), Center for the Aged (CFA), and community programs; 4) Chemical Dependency; 5) Developmental Disabilities, which includes the Montana Developmental Center (MDC) and Eastmont Human Services Center; and 6) Veterans' Nursing Home program, which includes the Montana Veterans' Home (MVH).

DEPARTMENT OF INSTITUTIONS

Budget

As a result of reorganization, the Department of Institution's budget includes all institutions operated by the department, as well as all other department functions. This is a change from previous years when the individual institutions were budgeted separately. The table includes both the current level and the budget modifications shown below that have been approved by the legislature. The reduction of nearly 29.0 FTE in fiscal 1992 and the further reduction of over 34.0 FTE in fiscal 1993 are primarily the net result of the "downsizing" of Montana Developmental Center (MDC) and budget modifications approved in the Corrections and Developmental Disabilities Divisions.

Personal services increase from fiscal 1990 to fiscal 1993 primarily because of the continuation of the fiscal 1991 pay plan and vacancy savings occurring in fiscal 1990 in excess of that budgeted in the 1993 biennium. Personal services decrease from fiscal 1992 to fiscal 1993 primarily due to the continued "downsizing" of MDC. The legislature implemented a 2.0 percent across-the-board reduction in funding for total personal services in fiscal years 1992 and 1993. This reduction is reflected in both the main tables and the budget modification tables at the agency and program levels. Funding sources at the department level are reduced in proportion to the total personal services in each program having personal services.

The pay plan increase for fiscal 1992 and fiscal 1993 (House Bill 509) is not included in the table above or in the division tables. A description of the pay plan increase and a table showing allocations to each agency are in Volume I of this report in the "Pay Plan" section.

Operating expenses increase from fiscal 1990 to fiscal 1992 primarily because: 1) the legislature approved the budget modifications shown in the table below; and 2) audit costs are a biennial appropriation included in fiscal 1992 only. The differences between fiscal 1990 and fiscal 1992, as well as the budget modifications, are discussed in detail in the division narratives.

Equipment, capital outlay, grants and debt service are discussed in the division narratives.

DEPARTMENT OF INSTITUTIONS

Budget Modifications

Budget Modification	Executive FTE FY92	Executive FTE FY93	Executive General Fund 92-93	Executive Total 92-93	Legislature FTE FY92	Legislature FTE FY93	Legislature General Fund 92-93	Legislature Total 92-93
Central Operations Division								
1) Special Services	2.00	2.00	$262,048	$262,048			$65,000	$65,000
2) Board of Pardons Staff	1.00	1.00	58,936	58,936	1.00	1.00	57,905	57,905
3) Info. System Enhancement			258,689	258,689			258,689	258,689
Corrections Division								
1) Staff-Additional Capacity	21.60	32.20	1,371,669	1,371,669	21.60	31.20	1,320,715	1,320,715
2) Jail-Parole Violators			133,980	133,980			132,240	132,240
3) Operating Cost Increases			161,716	161,716			161,326	161,326
4) SRFC Chemical Dependency	1.50	1.50		78,175	1.50	1.50		76,632
5) Female Population Increase	2.00	2.00	178,460	178,460	2.00	2.00	176,272	176,272
6) WCC Additional Staff					2.00	2.00	86,340	86,340
7) Local Jurisdiction Sentencing	1.00	1.00	35,085	70,085	1.00	1.00	34,613	69,142
8) Pre-Release Expansion			994,540	994,540			694,540	694,540
9) House Arrest			90,000	90,000			90,000	90,000
10) Great Falls ISP Program	2.50	2.50	200,814	200,814	2.50	2.50	198,339	198,339
11) Probation/Parole Officers	3.00	4.00	269,335	269,335	3.00	4.00	265,727	265,727
12) Jail-Graduated Sanctions			132,240	132,240			132,240	132,240
13) Targeted Case Managers	2.00	2.00	121,701	121,701	2.00	2.00	108,372	108,372
14) ELSC Operating Increase			6,220	6,220			6,220	6,220
15) New Women's Pre-Release			515,162	515,162			515,162	515,162
16) Community Corr. Rate Increase							81,939	81,939
17) Peace Officer Training							17,400	17,400
Mental Health Division								
1) Child/Adoles. Services	0.25			13,547	0.25			13,405
2) Federal Data Grant				133,875				133,875
3) Service Provider Increases							321,270	321,270
4) CFA Additional Staff	5.53	3.73	388,044	388,044			72,200	72,200
5) Homeless Block Grants				550,000				550,000
6) HB 93 Utilization Fee							97,110	97,110

DEPARTMENT OF INSTITUTIONS

Chemical Dependency Division								
1) Alt. Chem. Dep. Services	2.00	2.75	942,277	4,077,872	1.00	1.75		62,483
2) Community Youth Activity	1.00	0.25		523,583	1.00	0.25		522,886
3) Chem. Dep. Data Grant				82,235				82,235
4) HB 93 Utilization Fee							49,836	49,836
Develop. Disability Division								
1) MDC ICF/MR Certification	3.83	2.00	137,664	137,664	3.83	2.00	134,911	134,911
2) Eastmont ICF/MR Cert.	6.00	6.00	279,410	279,410	6.00	6.00	273,822	273,822
Veterans' Home Division								
1) HB 93 Utilization Fee							90,600	90,600
Total	55.21	62.93	$6,537,990	$11,090,000	48.68	57.20	$5,442,788	$6,918,833

Funding

General fund provides $71 million in fiscal 1992 and nearly $69 million in fiscal 1993. Other revenue comes from state, federal, and proprietary sources.

State special revenues are primarily canteen funds, donations, third-party reimbursements at the Veterans' Home, and earmarked alcohol tax. The distribution of the earmarked alcohol tax from fiscal 1988 through fiscal 1993 is shown in Table 1. The legislature appropriates a portion of the tax to the departments of Institutions, Family Services, and Justice, and the remainder is statutorily appropriated to counties for chemical dependency programs. The county estimate shown below assumes that: 1) actual revenues equal the estimates shown in the table; 2) the fiscal 1991 disbursement will equal the disbursement in fiscal 1990; and 3) annual increases of 2 percent will occur in fiscal 1992 and fiscal 1993. The balance at the end of the biennium will then total approximately $350,000. This is $50,000 more than the $300,000 needed to maintain cash flow, as estimated by the department.

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Table 1
Earmarked Alcohol Tax
Fiscal 1988 through Fiscal 1993

	Fiscal 1988	Fiscal 1989	Fiscal 1990	Fiscal 1991*	Fiscal 1992*	Fiscal 1993*
Beginning Balance	$ 400,549	$ 443,725	$ 506,212	$ 590,287	$ 593,453	$ 457,786
Revenues						
1. Beer Tax	$ 696,980	$ 697,738	$ 704,417	$ 702,000	$ 707,000	$ 711,000
2. Wine Tax	484,690	449,118	433,916	420,000	409,000	399,000
3. Cost Recovery	107,445	110,912	93,326	93,326	93,326	$93,326
4. Liquor License	2,177,071	2,220,355	2,218,058	2,252,000	2,337,000	2,330,000
Total Funds Available	$3,466,186	$3,478,123	$3,449,717	$3,467,326	$3,546,326	$3,533,326
Disbursements						
1. Audit & Chem. Dep. Operations	$ 310,886	$ 313,351	$ 324,694	$ 337,741	$ 311,146	$ 254,290
2. Galen Chem. Dependency	1,595,600	1,595,408	1,641,672	1,689,791	1,150,229	1,154,608
3. Chem. Dep. Community Services					135,497	135,497
4. MSH Support Operations					548,444	555,468
5. Dist. to Counties	1,280,180	1,233,016	1,122,592	1,122,592	1,145,044	1,167,945
6. State Prison	46,310	51,424	50,514	55,390	54,204	54,776
7. Swan River	25,875	27,059	27,941	29,137	67,189	67,120
8. Pine Hills	29,662	21,339	26,350	31,910	26,573	26,573
9. Justice - Drug Testing	143,835	143,232	192,694	197,599	243,667	226,237
Total Disbursements	$3,432,348	$3,384,829	$3,386,457	$3,464,160	$3,681,993	$3,642,514
Adjustments						
1. Miscellaneous	$ 5	$ 2	$ 0			
2. Prior Year Revenue	9,072	(32,455)	18,653			
3. Prior Year Deductions	$ 261	$ 1,646	$ 2,162			
Total Adjustments	$ 9,338	($ 30,807)	$ 20,815			
Ending Balance	$ 443,725	$ 506,212	$ 590,287	$ 593,453	$ 457,786	$ 348,598

* Revenues Estimated/Disbursements Appropriated

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Federal funds include the Alcohol, Drug, Mental Health block grant, other smaller grants, boarder reimbursements, and veterans' reimbursements. Proprietary funds are the prison ranch, industries, and industries training revolving accounts.

Other Legislation

In addition to House Bill 2, two other bills passed by the 1991 legislature appropriate funds to the Department of Institutions and one bill appropriates funds to the Legislative Council, as shown below. These appropriations are not included in the main table.

	Fiscal 1992			Fiscal 1993		
Bill No./Description	FTE	General Fund	Total Funds	FTE	General Fund	Total Funds
HB 528 - WCC Site Selection		$ 8,000	$ 8,000			
HB 909 - Counselor Certification			32,243			
HB 966 - Study of MT State Hospital		37,000	37,000**			
Totals	0.00	$45,000	$77,243	0.00	$0	$0

** Biennial appropriation to the Legislative Council

HB 528 - WCC Site Selection - This bill: 1) required that the Department of Institutions develop a request for proposals for the siting of a women's correctional center according to certain criteria; 2) created a committee to evaluate the proposals; and 3) provided for the evaluation of the proposals and the site selection. An $8,000 general fund appropriation was provided to fund the site selection committee during fiscal years 1991 and 1992.

HB 909 - Counselor Certification - The legislature required the Department of Institutions to: 1) grant certification to practice as a certified chemical dependency counselor to persons who meet certain criteria; and 2) study the minimum requirements for gambling addiction counselors and the availability of gambling addiction treatment resources in Montana. The study of gambling addiction counselors and resources is funded by a fiscal 1992 appropriation of $32,243 from the gambling license fee account.

HB 966 - Study of Montana State Hospital - The legislature: 1) created a committee to study the past, current, and potential future uses of the Montana State Hospital; and 2) appropriated $37,000 for the biennium to the Legislative Council to conduct the study. In addition, House Bill 5 appropriates $112,375 from the long-range building program fund for a study of the Montana State Hospital infrastructure.

Other legislation for which implementation appropriations are contained in House Bill 2 or which impact the department's budget are listed below:

DEPARTMENT OF INSTITUTIONS

HB 5 - Long Range Building - The legislature appropriated $19,360,745 for construction at Montana State Prison and $10,075,600 for construction of a new women's correction center from the long-range building program fund. House Bill 963 provides for construction of new facilities at Montana Developmental Center, as discussed below. These buildings will be constructed during the 1993 biennium and will require funding for operations in the 1995 biennium.

HB 93 - Nursing Home Utilization Fee - This bill appropriates funds for the 1993 biennium to increase medicaid reimbursement rates for private nursing facilities. The legislation imposes a $1.00 per bed day fee in fiscal 1992 and a $2.00 per bed day fee in fiscal 1993 on all nursing facilities in the state, including the state facilities. House Bill 2 appropriations for the biennium of $97,110 for the Center for the Aged, $49,836 for Galen, and $90,600 for the Veteran's Home enable these facilities to pay the bed day fees.

HB 98 - License Plates - This legislation authorizes special license plates for the survivors of the Pearl Harbor attack. The fiscal note estimated general fund costs of less than $100 per year. No appropriation was provided for implementation of the bill.

HB 103 - Prohibition on Holding Mentally Ill Persons in Jail - This legislation: 1) prohibits the detention of mentally ill persons in a jail pending a civil commitment hearing; 2) requires the Department of Institutions to establish crisis intervention programs and to assist counties in developing county plans; and 3) authorizes targeted case management services under the medicaid program for adults who are seriously mentally ill. The impact on the Department of Institutions, estimated by a revised fiscal note, is $1.9 million in fiscal 1993, but no appropriation was made. The establishment of crisis intervention programs is subject to available appropriations. However, the legislature approved language in House Bill 2 to allow the department to transfer appropriation authority from personal services to operating expense for pilot mental health projects in Kalispell, Missoula, and Butte.

HB 148 - Home Arrest - This legislation allows home arrest in lieu of imprisonment for certain criminal offenses. No additional funds were appropriated for this purpose. However, House Bill 2 includes $45,000 each year for house arrest for persons who have completed the pre-release program but who are not yet eligible for release.

HB 272 - Montana Community Corrections Act - This legislation: 1) allows sentencing courts to sentence non-violent felony offenders to a community corrections facility or program operated by local governments, tribal governments, or private agencies; and 2) grants the Department of Institutions the authority to adopt rules governing operation of those facilities and programs. No additional funds were appropriated to the department for adoption of rules.

HB 521 - Chemical Dependency Education - This legislation, introduced at the request of the Department of Institutions, requires the department to assist interested agencies and organizations in developing education and prevention programs for chemical dependency. The department may accept gifts, grants, and donations from public and private sources for this purpose.

HB 631 - Sexual Assault Sentences - This legislation increases the minimum sentence for sexual assault involving a person under 16 years of age and generally provides that a mandatory sentence of imprisonment may not be deferred or suspended. The fiscal note estimates that prison admissions would increase by 24 per year and that the fiscal impact would be approximately $85,000 for the biennium. No additional funds were appropriated to mitigate the estimated fiscal impact. Senate Bill 170 requires a presentence investigation by investigators qualified under guidelines established by the Department of Institutions.

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HB 723 - Veterans' License Plates - This legislation creates special license plates for veterans of military service and for holders of the purple heart medal. The fiscal note estimated general fund costs of $3,500 per year. No appropriation was provided for implementation of the bill. However, $1.00 of the $10.00 plate fee is deposited in the state general fund.

HB 957 - Official Names of the Veterans' Homes - This legislation distinguishes between the current veterans' home and the new veterans' home by naming: 1) the Columbia Falls home the "Montana Veterans' Home;" and 2) the Glendive home the "Eastern Montana Veterans' Home." The Eastern Montana Veterans' Home was approved by the 1989 legislature, will be constructed during the 1993 biennium if federal funds become available, and will require operating appropriations in the 1995 biennium.

HB 963 - MDC Expansion - This legislation allows the Department of Institutions to enter into a loan agreement with the Montana Health Facility Authority for a loan, not to exceed $8.665 million plus financing and interest costs, for facilities to consolidate the Montana Developmental Center on the north side of the river in Boulder. The bond proceeds are appropriated to the Department of Administration for the construction of the new facilities.

SB 49 - Criminal Sale of Drugs Near Schools - This legislation creates the offense of criminal sale of dangerous drugs on or near school property, and provides penalties. The fiscal note estimates additional admissions to the prison and additional costs of over $5,000 per year to the Department of Institutions. No additional funds were appropriated to mitigate the estimated fiscal impact.

SB 204 - Alternative Sentencing for Drug Offenses - This legislation provides alternative sentencing authority for felony offenses related to dangerous drugs, including intensive probation supervision. A $50 per month supervision fee, charged to defendants placed in intensive probation, is deposited in a state special revenue fund to the credit of the Department of Institutions. However, no spending authority was approved for these funds.

SB 250 - Commitment of the Developmentally Disabled - This legislation amends the laws relating to the commitment of persons who are developmentally disabled, provides an administrative screening process prior to commitment, and provides a new definition of "seriously developmentally disabled." The statement of intent notes that "these changes are necessary to provide a commitment standard and process that will meet the new mission that has been developed for state-operated residential facilities." This new mission includes the reduction of the MDC population to 100-110 residents.

SB 379 - Peace Officer Training for Probation/Parole Officers - This legislation requires the Board of Crime Control to establish minimum standards of training for probation and parole officers and requires the officers to receive the training. House Bill 2 includes general fund of $12,200 in fiscal 1992 and $5,200 in fiscal 1993 to implement the provisions of Senate Bill 379.

CENTRAL OPERATIONS DIVISION

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	39.00	47.00	45.00	2.00-	47.00	45.00	2.00-	6.00
Personal Services	1,054,172	1,502,969	1,356,705	146,264-	1,501,623	1,354,647	146,976-	28.70%
Operating Expenses	271,209	320,756	442,222	121,466	338,137	280,216	57,921-	63.06%
Equipment	17,134	29,984	25,286	4,698-	3,059	3,059	0	47.58%
Debt Service	3,053	113,169	113,169	0	112,465	112,465	0	3606.81%
Total Costs	$1,345,568	$1,966,878	$1,937,382	$29,496-	$1,955,284	$1,750,387	$204,897-	43.98%
Fund Sources								
General Fund	1,327,588	1,938,608	1,880,882	57,726-	1,927,054	1,750,387	176,667-	41.68%
State Revenue Fund	4,296	20,595	41,150	20,555	20,555	0	20,555-	857.87%
Federal Revenue Fund	7,637	4,256	8,512	4,256	4,256	0	4,256-	11.46%
Proprietary Fund	6,047	3,419	6,838	3,419	3,419	0	3,419-	13.08%
Total Funds	$1,345,568	$1,966,878	$1,937,382	$29,496-	$1,955,284	$1,750,387	$204,897-	43.98%

Division Description

Central Operations includes the Director's Office, Management Services, Special Services, and the administratively attached Board of Pardons. The Director's Office is responsible for effective management and planning for the department. It also provides legal, personnel, and labor relations support services for all programs, as well as administrative support for the Board of Pardons.

Management Services is responsible for: 1) the department's budgeting and accounting, reimbursement, and data processing services; and 2) providing budgeting and management assistance to individual institutions. It bills and collects revenue generated by the department, including medicaid, medicare, insurance, private payments, and Veterans' Administration contributions.

The Special Services unit, a new administrative structure, oversees the developmental disability system and the veterans' homes.

The Board of Pardons, located in Deer Lodge, is responsible for the release of inmates on parole and furlough. It also reviews all requests for executive clemency and makes recommendations to the Governor. The board consists of three regular members and one auxiliary member, appointed by the Governor with the advice and consent of the Senate. By statute, at least one member must have particular knowledge of Indian culture and problems. Members receive $50 per day plus travel expenses for days spent performing board duties. Statutory authority for the board, which is administratively attached to the Department of Institutions, is found in Sections 2-15-2302 and 46-23-104, MCA.

CENTRAL OPERATIONS DIVISION

Legislative Intent

It is the intent of the legislature that the department may use the personal services transfer authority granted by language for treatment professional positions only, except as provided by language allowing transfers within the budget of the Montana Developmental Center.

Language

"Contracts negotiated or re-negotiated by the department may not extend beyond the end of the 1993 biennium unless they contain the clause, 'subject to legislative appropriation of funds for this contract'."

"If the department is unable to recruit and hire professional positions funded in the appropriation and required for patient treatment and/or certification, it may transfer up to 100% of the aggregate personal services cost of each class of vacant position or the cost of the required contract, whichever is less, to operating expenses for the purpose of contracting for services that would have been provided if that position were filled. The department shall certify to the Governor or his designated representative that: 1) the department is unable to fill the position or positions; and 2) the services that would be provided by that position if filled and by the proposed contract are necessary for either federal medicaid certification or the treatment requirements of its correctional institutions."

Budget

The budget increases nearly 44 percent from fiscal 1990 to fiscal 1992 primarily because 5.0 FTE were transferred to this program and budget modifications were approved. Personal services increase 28.7 percent because: 1) 5.0 FTE administrative personnel were reallocated to this program from the Chemical Dependency, Mental Health, and Corrections programs; 2) a budget modification for 1.0 FTE pre-parole programmer was approved for the Board of Pardons; and 3) Board of Pardons' per diem was increased for additional caseload.

Operating expenses increase 63.1 percent primarily because: 1) $34,000 in biennial audit expenditures occurred in fiscal 1990, while the 1993 biennial audit costs of $179,938 are budgeted in fiscal 1992 only; 2) the Board of Pardons was appropriated $6,818 for additional caseload and $1,676 in a modified request for additional staff; 3) a budget modification of $32,500 each year was approved for contracted services for a medical consultant; and 4) fiscal 1990 expenditures of approximately $16,000 for computer repairs were not budgeted in the 1993 biennium. Operating expenses decrease from fiscal 1992 to fiscal 1993, primarily because all legislative audit costs are budgeted in fiscal 1992.

Equipment increases 47.6 percent and includes: 1) $3,059 for Central Operations' computer equipment each year; 2) a budget modification of $4,027 in fiscal 1992 for computer equipment for the Board of Pardons; and 3) a budget modification of $18,200 in fiscal 1992 for equipment for the Central Operations management information system.

CENTRAL OPERATIONS DIVISION

Debt service of $112,465 each year is a budget modification for leasing of computer equipment for a management information system. Debt service of $704 in fiscal 1992 is for the final payment on a lease/purchase agreement for a telephone system.

Budget Modifications

	Executive				Legislature			
Budget Modification	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93
1) Special Services	2.00	2.00	$262,048	$262,048			$ 65,000	$ 65,000
2) Board of Pardons Staff	1.00	1.00	58,936	58,936	1.00	1.00	57,905	57,905
3) Info. System Enhancement			258,689	258,689			258,689	258,689
Total Division	3.00	3.00	$579,673	$579,673	1.00	1.00	$381,594	$381,594

1) Special Services - General fund of $32,500 each year is for contract services for a medical consultant.

2) Board of Pardons Staff - General fund of $30,995 in fiscal 1992 and $26,910 in fiscal 1993 is for 1.0 FTE pre-parole programmer, operating expense, and first-year equipment expense to help facilitate parole release for increasing caseloads.

3) Information System Enhancement - General fund of $130,665 in fiscal 1992 and $128,024 in fiscal 1993 is for computer enhancements including: 1) $112,465 each year for the lease-purchase of a replacement for the department's IBM System 38 mainframe computer; 2) $18,200 in fiscal 1992 for multi-user computers; and 3) $15,559 in fiscal 1993 for repair and maintenance. These computer enhancements will allow data management based on human services systems, rather than on units within the systems.

Funding

Funding for this program is primarily general fund. Other funds used for legislative audit costs in Chemical Dependency, Mental Health, and Corrections in fiscal 1992 only are: 1) earmarked alcohol tax; 2) federal Alcohol, Drug, and Mental Health Services funds; and 3) proprietary funds.

CENTRAL OPERATIONS DIVISION

Table 2 shows the funding for each program within the Central Operations Division.

Table 2
Central Operations Division
FTE and Funding by Program

	Fiscal 1992					Fiscal 1993				
Program	FTE	Gen. Fund	State Fund	Fed./Other	Total	FTE	Gen. Fund	State Fund	Fed./Other	Total
Management	39.00	$1,577,566	$41,150	$15,350	$1,634,066	39.00	$1,451,966			$1,451,966
Special Services	1.00	93,841			93,841	1.00	93,811			93,811
Board of Pardons	5.00	$209,475			209,475	5.00	204,610			204,610
Tot. Division	45.00	$1,880,882	$41,150	$15,350	$1,937,382	45.00	$1,750,387	$0	$0	$1,750,387

CORRECTIONS DIVISION

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	567.34	602.44	599.69	2.75-	614.04	610.29	3.75-	32.35
Personal Services	14,932,434	16,560,406	16,404,340	156,066-	16,833,754	16,667,504	166,250-	9.86%
Operating Expenses	8,689,743	11,304,445	12,424,287	1,119,842	11,531,897	10,762,108	769,789-	42.98%
Equipment	413,445	604,586	587,517	17,069-	421,396	423,220	1,824	42.10%
Capital Outlay	20,118	16,500	16,500	0	16,500	16,500	0	-17.98%
Grants	3,311	0	0	0	0	0	0	-100.00%
Debt Service	1,043	1,154	1,154	0	888	888	0	10.64%
Total Costs	$24,060,094	$28,487,091	$29,433,798	$946,707	$28,804,435	$27,870,220	$934,215-	22.33%
Fund Sources								
General Fund	20,852,208	23,839,475	24,843,278	1,003,803	24,157,595	23,275,536	882,059-	19.14%
State Revenue Fund	703,428	1,498,282	1,358,265	140,017-	1,494,058	1,358,774	135,284-	93.09%
Federal Revenue Fund	178,779	153,843	155,023	1,180	153,748	155,056	1,308	-13.29%
Proprietary Fund	2,325,679	2,995,491	3,077,232	81,741	2,999,034	3,080,854	81,820	32.32%
Total Funds	$24,060,094	$28,487,091	$29,433,798	$946,707	$28,804,435	$27,870,220	$934,215-	22.33%

Division Description

The Corrections Division develops and administers an integrated corrections program for adults. Specific programs within the Corrections Division include: 1) Administration; 2) a Corrections Medical program; 3) Community Corrections; 4) a young men's correctional program at Swan River Forest Camp; 5) the Women's Correctional Center at Warm Springs; and 6) Montana State Prison for men at Deer Lodge.

The Administration program of the Corrections Division coordinates and administers all corrections activities through the Helena office. The Correctional Medical Program pays medical, optometry, dental, and laboratory costs for all corrections programs. It also funds security officers for hospitalized inmates. This budget structure accommodates movement of individuals through the corrections system, providing a flexible method to fund health costs while avoiding unforeseen financial burdens on any one program.

The legislature approved new programs as discussed below to accommodate an increasing corrections population. The population by facility from fiscal 1988 through fiscal 1993 is shown in Table 3. The year-end population is estimated at 1,596 in fiscal 1992 and 1,702 in fiscal 1993. The department expects the male population to exceed the beds available and anticipates needing local jail

space or other facilities for 69 men by the end of fiscal 1993. The department expects the female population will be seven less than the number of beds available by the end of fiscal 1993.

Table 3
Corrections Division Population
Population by Year*

Program	Fiscal 1988	Fiscal 1989	Fiscal 1990	**Fiscal 1991	Fiscal 1992	Fiscal 1993
Montana State Prison	957.41	1,031.90	1,097.26	1,133.40	1,180.00	1,220.00
Swan River Forest Camp	49.11	50.19	52.33	57.28	60.00	60.00
Women's Correctional Center	35.23	46.34	53.23	57.69	60.00	60.00
Pre-release Centers (All)	123.20	127.20	133.30	132.00	188.00	173.00
Intensive Supervision	11.00	16.00	29.40	50.00	75.00	75.00
House Arrest/Grad. Sanctions					20.00	20.00
Other Community					32.00	32.00
Other Men's Beds/(Excess Capacity)					1.00	69.00
Other Women's Beds/(Excess Capacity)					(20.00)	(7.00)
Total Division	1,175.95	1,271.63	1,365.52	1,430.37	1,596.00	1,702.00

* Fiscal 1988 through fiscal 1991 are average daily population (ADP) - Fiscal 1992 and 1993 are year end population estimates
** ADP based on first 10 months of fiscal 1991

Community Corrections includes a probation, parole, and intensive supervision program, as well as pre-release centers, house arrest, and local jurisdiction sentencing options which provide alternatives to prison. The pre-release centers provide educational and work opportunities while providing close supervision of the offenders. The department operates two pre-release centers: 1) the Billings Life Skills Center (BLS) which houses up to 12 female offenders; and 2) the Missoula pre-release center which can accommodate 25 male offenders. In addition, the department contracts with non-profit corporations in Great Falls, Butte, and Billings for men's pre-release services. Pre-release centers housed 133 ADP in fiscal 1990 and are budgeted for 188 inmates by year end in fiscal 1992 and 173 inmates by year end in fiscal 1993.

The Swan River Forest Camp (SRFC) at Swan Lake, authorized in Sections 53-30-205 and 53-30-212, MCA, is a minimum security work camp for inmates between the ages of 18 and 25 who are transferred from the state prison. The inmates work cooperatively with the Division of Forestry, Department of State Lands, in forestry programs such as thinning, seeding, and planting trees, as well as campground and recreation area maintenance. The staff provides educational opportunities, psychological services, work programs, training in

living skills, and planning for each inmate's return to the community. In fiscal 1990, the capacity was increased from 54 to 60 beds.

The Women's Correctional Center (WCC) in Warm Springs is a minimum to medium security facility for female offenders requiring incarceration. The program includes treatment, work, education, and recreation. This facility, opened in fiscal 1982, housed 53 ADP in fiscal 1990, and is expected to house approximately 60 ADP in the 1993 biennium.

The Montana State Prison (MSP) in Deer Lodge, authorized in Section 53-30-101, MCA, is a low, medium, and maximum security facility for the custody, treatment, training, and rehabilitation of adult male criminal offenders. The prison has six programs: 1) Care and Custody; 2) Canteen; 3) Ranch and Dairy; 4) Industries; 5) Industries Training; and 6) the License Plate factory. Treatment programs to aid rehabilitation include: 1) vocational education; 2) on-the-job training; 3) work experience; 4) sports and hobby programs; 5) music programs; 6) self-help groups; and 7) chemical dependency programs. In fiscal 1990, the prison had a design capacity of 744 inmates and an ADP of 1,097. The prison is budgeted for 1,180 inmates by year end in fiscal 1992 and 1,220 by year end in fiscal 1993.

The Care and Custody program includes housing, security, general operations, and administration of the prison. The prison's treatment and educational services are budgeted in this program.

The Canteen program provides store services and merchandise for inmates at the prison.

The Ranch and Dairy program provides milk, cottage cheese, ice cream, and yogurt to the prison and other institutions while providing work and training for inmates. The program objective is to provide at least 50 inmates per month with training and experience in ranch and dairy skills.

The Industries program provides training and work experience in: 1) furniture construction and repair; 2) upholstery; 3) sign manufacturing; 4) printing; 5) logging; 6) post-pole manufacturing; and 7) building of jack-leg fences. Products from the program are currently sold to other governmental entities, non-profit corporations and, in certain cases, to the private sector through licensed wholesalers and retailers.

The Industries Training program, authorized in Sections 53-30-131 through 53-30-133, MCA, provides vocational on-the-job training and work experience for prison inmates. The program includes auto and heavy equipment repair and maintenance, industrial arts, meat cutting, horticulture, business skills, career counseling, and telemarketing.

The License Plate factory manufactures vehicle licenses for the State of Montana, providing work for approximately 17 inmates each month.

CORRECTIONS DIVISION

Language

The legislature directed that personal services reductions be allocated by program. As a result of this allocation, actual appropriated amounts may differ from some appropriations referenced in language in House Bill 2. The correct appropriation is referenced by bracketed numbers in the language listed below.

Prison Industries - "Within the industries operations in [the Corrections Division], the department may submit budget amendments to hire 1 FTE marketing representative, 2 FTE shop supervisors, and 1 FTE prison industries procurement coordinator if funding is available."

Prison Industries Training - "Within the industries training program in [the Corrections Division], the department may submit budget amendments to hire 1 FTE vehicle maintenance shop supervisor if funding is available."

"The department is authorized to maintain a cash balance of not more than $16,000 at the end of each fiscal year in the prison industries training proprietary account. Any funds in excess of $16,000 in the proprietary account are to offset the general fund appropriation."

Community Corrections - "The department shall submit budget amendments for the local jurisdiction sentencing option program in [the local jurisdiction sentencing line item] if federal funding becomes available. The total general fund and state special fund share of the program may not exceed 50 percent and must revert to the respective funds to the extent that federal funding is less than $35,000."

Montana State Prison - "[Targeted Case Managers] contains [$54,244] in fiscal 1992 and [$54,128] in fiscal 1993 for two targeted case managers at the prison. In preparing the 1995 biennial budget for legislative consideration, the Office of Budget and Program Planning and the Legislative Fiscal Analyst's Office may not include the expenditures from the above items in the current level base."

Peace Officer Training - "[The Peace Officer Training line item] contains $12,200 in fiscal 1992 and $5,200 in fiscal 1993 from the general fund for peace officer training for probation and parole officers. This appropriation is contingent on passage and approval of Senate Bill No. 379."

Budget

The budget increases from fiscal 1990 to fiscal 1992, primarily because correctional populations are increasing. The authorized staff increases by over 32 FTE as a net result of the following: 1) 2.0 administrative FTE were transferred to Central Operations and 1.0 FTE was eliminated; 2) 0.5 FTE at SRFC was deleted because it had been vacant more than six months; 3) 0.25 FTE was added in Industries Training; and 4) 35.6 FTE were approved through budget modifications as shown in the table below. An additional 10.6 FTE were approved for fiscal 1993.

CORRECTIONS DIVISION

The major factors contributing to the 9.9 percent increase in personal services are the budget modifications, the class action upgrade of most MSP and WCC correctional officers from a grade 9 to a grade 10, and continuation of negotiated upgrades for nurses. The general fund cost of the upgrades for the biennium is approximately $265,000 for the corrections officers and $831,417 for the nurses.

Operating expenses increase from fiscal 1990 to fiscal 1992 primarily because: 1) a biennial appropriation of $1.9 million for the medical budget is an increase of $1.0 million over fiscal 1990 actual expenditures; 2) budget modifications shown below add approximately $1.2 million; 3) $0.6 million of increased state special revenue spending authority was approved for the canteen; 4) $0.7 million of increased proprietary fund spending authority was approved for the ranch and dairy, the industries, and the industries training programs; and 5) current level adjustments and inflationary increases add approximately $0.2 million.

Equipment increases 42.1 percent primarily because approximately $170,000 was approved in budget modifications. Increases of approximately $134,000 in the ranch and dairy and industries programs equipment budgets are nearly offset by reductions in administration and current level community corrections.

The $16,500 annual capital outlay is for building materials to construct a storage building at the prison ranch. Debt service is for lease/purchase of copy machines in community corrections and at the Women's Correctional Center.

CORRECTIONS DIVISION

Budget Modifications

Budget Modification	Executive FTE FY92	Executive FTE FY93	Executive General Fund 92-93	Executive Total 92-93	Legislature FTE FY92	Legislature FTE FY93	Legislature General Fund 92-93	Legislature Total 92-93
1) Staff-Additional Capacity	21.60	32.20	$1,371,669	$1,371,669	21.60	31.20	$1,320,715	$1,320,715
2) Jail-Parole Violators			133,980	133,980			132,240	132,240
3) Operating Cost Increases			161,716	161,716			161,326	161,326
4) SRFC Chemical Dependency	1.50	1.50		78,175	1.50	1.50		76,632
5) Female Population Increase	2.00	2.00	178,460	178,460	2.00	2.00	176,272	176,272
6) WCC Additional Staff					2.00	2.00	86,340	86,340
7) Local Jurisdiction Sentencing	1.00	1.00	35,085	70,085	1.00	1.00	34,613	69,142
8) Pre-Release Expansion			994,540	994,540			694,540	694,540
9) House Arrest			90,000	90,000			90,000	90,000
10) Great Falls ISP Program	2.50	2.50	200,814	200,814	2.50	2.50	198,339	198,339
11) Probation/Parole Officers	3.00	4.00	269,335	269,335	3.00	4.00	265,727	265,727
12) Jail-Graduated Sanctions			132,240	132,240			132,240	132,240
13) Targeted Case Managers	2.00	2.00	121,701	121,701	2.00	2.00	108,372	108,372
14) BLSC Operating Increase			6,220	6,220			6,220	6,220
15) New Women's Pre-Release			515,162	515,162			515,162	515,162
16) Community Corr. Rate Increase							81,939	81,939
17) Peace Officer Training-SB 379							17,400	17,400
Total Division	33.60	45.20	$4,210,922	$4,324,097	35.60	46.20	$4,021,445	$4,132,606

1) Staffing for Additional Capacity - The legislature approved additional staff and variable costs for the increasing population at the men's prison as follows: 1) 21.6 FTE and general fund of $560,823 for an additional 45 ADP in fiscal 1992; and 2) 31.2 FTE and general fund of $759,892 for another 40 ADP in fiscal 1993. This budget modification will allow an increase in maximum capacity from 1,135 in fiscal 1991 to 1,180 beds by the end of fiscal 1992 and 1,220 beds by the end of fiscal 1993.

2) Jail Parole Violators - The legislature approved general fund of $66,120 each year to pay for local jail placement of parole and pre-release violators who have been arrested and are awaiting a due process hearing. Section 7-32-2242, MCA, requires the government unit responsible for committing an individual to a local detention center to pay the cost for holding the individual. These funds would provide $38.00 per day for 1,740 days each year in local facilities.

3) Operating Cost Increases - The legislature approved $80,663 in general fund each year for additional operating expenses for the care and custody of an additional 48.25 ADP at the men's prison. The request reflects variable costs of $4.58 per day for each of the additional ADP and would allow care of prisoners up to the fiscal 1991 maximum capacity of 1,135 ADP.

4) SRFC CD Program - The legislature approved 1.5 FTE each year and $38,350 in fiscal 1992 and $38,282 in fiscal 1993 to improve the chemical dependency program at SRFC. Funding is from the earmarked alcohol tax.

5) Female Correction Population Increase - The number of women in the Women's Correctional Center increased from 50 ADP budgeted by the 1989 legislature to 53 ADP in fiscal 1990. The department expects the population to increase to 60 ADP in the 1993 biennium. To provide services for this increased population, the legislature approved 0.5 FTE nurse, 0.5 FTE chemical dependency counselor, and 1.0 FTE correctional treatment specialist. Personal services costs for the 2.0 additional FTE are approximately $53,600 each year. Additional operating expenses of $23,403 in fiscal 1992 and $45,677 in fiscal 1993 are based on an average daily variable cost of $5.12 per ADP. The total biennial cost of this budget modification is general fund of $176,272.

6) WCC Additional Staff - The legislature approved general fund of $43,306 in fiscal 1992 and $43,034 in fiscal 1993 for operating expenses and 2.0 additional FTE at the Women's Correctional Center. These correctional officers were approved to improve facility safety and security.

7) Local Jurisdiction Sentencing Options - The legislature approved 1.0 FTE, operating costs, and a budget of $34,576 in fiscal 1992 and $34,566 in fiscal 1993 for the creation of a community service program in Missoula. This program would provide a sentencing alternative for selected, non-violent offenders. The legislature expects that general fund of $34,613 and state special funds of $34,529 for the biennium from the community will be expended only to the extent that they are matched by federal funds. Authority to spend a Board of Crime Control grant of approximately $70,000 during the biennium will be requested by budget amendment if the funds become available.

8) Pre-Release Expansion - The legislature approved general fund of $336,395 in fiscal 1992 and $358,145 in fiscal 1993 to expand the pre-release capacity. The department estimates the budget is sufficient to increase the 120 male pre-release beds budgeted in fiscal 1990 to 145 beds in fiscal 1993. This modification, recommended by the Criminal Justice and Corrections Advisory Council (CJCAC), is considered necessary to serve increasing inmate populations.

9) House Arrest - The legislature approved general fund of $45,000 each year for contracts with non-profit organizations to supervise inmates in house arrest. House arrest would be available to inmates who have successfully completed all pre-release center program goals prior to their parole eligibility or discharge dates. This program, recommended by CJCAC, would keep inmates under the supervision of the pre-release centers as they complete transition to community life, while freeing space for other pre-release candidates.

10) Great Falls ISP Program - The legislature approved 2.5 FTE, $127,739 in fiscal 1992 and $70,600 in fiscal 1993 to establish an intensive supervision program in Great Falls. This general fund supported program would be used as an alternative for offenders sentenced to prison and would have a capacity of 25 offenders. Based on the success of similar programs in Billings and Missoula, CJCAC recommended a third program be established in Great Falls.

11) Probation/Parole Officers - The legislature approved 3.0 FTE and $131,201 in fiscal 1992, and 4.0 FTE and $134,526 in fiscal 1993, to expand probation and parole services. This modified request would enhance supervision of those on probation or parole and increase the number of field officers to serve an increasing caseload.

12) Jail Graduated Sanctions - The department adopted a policy providing graduated community-based sanctions as alternatives to incarceration for parole and pre-release violators. One of these sanctions is jail placement for 30 to 60 days. The legislature approved general fund of $66,120 each year to provide 1,740 days in local jail facilities at $38.00 per day.

13) Targeted Case Managers - The legislature approved general fund of $108,372 for the biennium for 2.0 FTE and an operating budget to help prison inmates prepare institutional treatment and parole plans. The department anticipates that these targeted case managers will help 600 inmates on "waiver" or "annual review" status shorten their average length of stay and thereby reduce prison overcrowding.

14) BLSC Operating Increase - The legislature approved general fund of $3,110 each year for increased variable costs at the Billings Life Skills Center. The center was budgeted for 9.6 ADP during the 1991 biennium, but the population has increased to 12 residents. This budget modification provides $3.55 per day for the additional 2.4 ADP.

15) New Women's Pre-Release Center - The legislature approved general fund of $278,119 in fiscal 1992 and $237,043 in fiscal 1993 for an additional 16 bed women's pre-release center. Contracted room and board were estimated by prorating the BLSC budget and adding start-up costs of $42,000 in fiscal 1992. The department anticipates that this center would help relieve overcrowding at WCC.

16) Community Corrections Rate Increase - The legislature approved general fund of $81,939 for the biennium for 2 percent annual rate increases for community pre-release centers.

17) Peace Officer Training - The legislature approved general fund of $17,400 for the biennium to provide peace officer training for probation and parole officers. This appropriation is contingent on passage and approval of Senate Bill 379 (this bill was signed into law), which requires probation and parole officers appointed by the Department of Institutions to have peace officer status.

Funding

General fund, the primary source of funding for the Corrections Division, increases 19.1 percent from fiscal 1990 to fiscal 1992. State revenue funds increase over 93 percent from fiscal 1990 to fiscal 1992, primarily because canteen spending authority is approximately double the actual fiscal 1990 expenditures. State revenues each year include: 1) earmarked alcohol tax of over $121,000; 2) canteen funds of $1.2 million; 3) community matching funds of over $17,200; and 4) donations of $980. The major portion of the federal funding is boarder reimbursements of approximately $90,000 each year, while the remainder is federal school foods and education funds. Proprietary funds each year are: 1) $1.7 million for the prison ranch; 2) $1.1 million for the prison industries program; and 3) approximately $263,000 for the prison industries training program.

CORRECTIONS DIVISION

Table 4 shows the funding for each program within the Corrections Division.

Table 4
Corrections Division
FTE and Funding by Program

Program	Fiscal 1992 FTE	Gen. Fund	State Fund	Fed./Other	Total	Fiscal 1993 FTE	Gen. Fund	State Fund	Fed./Other	Total
Operations	9.00	$ 431,082			$ 431,082	9.00	$ 433,879			$ 433,879
Corr. Medical		1,869,975			1,869,975					
State Prison										
Care/Custody	421.01	$14,930,075	$ 54,204	$ 99,532	$15,083,811	430.61	$15,253,993	$ 54,776	$ 99,660	$15,408,429
Canteen			1,159,241		1,159,241			1,159,248		1,159,248
Ranch/Dairy	12.75			1,672,065	1,672,065	12.75			1,671,998	1,671,998
Industries	5.25			1,129,524	1,129,524	5.25			1,133,153	1,133,153
Ind. Training	4.00	165,950		291,143	457,093	4.00	167,119		291,060	458,179
License Plate	2.00	451,122		12,413	463,535	2.00	451,479		12,463	463,942
Total Prison	445.01	$15,547,147	$1,213,445	$3,204,677	$19,965,269	454.61	$15,872,591	$1,214,024	$3,208,334	$20,294,949
Swan River	26.83	974,529	126,576	27,578	1,128,683	26.83	972,309	126,505	27,576	1,126,390
Women's Corr.	32.85	1,055,535			1,055,535	32.85	1,084,010			1,084,010
Comm. Services	86.00	4,965,010	18,244		4,983,254	87.00	4,912,747	18,245		4,930,992
Tot. Division	599.69	$24,843,278	$1,358,265	$3,232,255	$29,433,798	610.29	$23,275,536	$1,358,774	$3,235,910	$27,870,220

MENTAL HEALTH DIVISION

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	833.27	665.76	784.78	119.02	659.22	784.53	125.31	-48.49
Personal Services	20,238,279	18,559,872	21,219,782	2,659,910	18,467,227	21,328,118	2,860,891	4.85%
Operating Expenses	4,382,151	4,116,196	4,717,209	601,013	4,095,432	4,802,124	706,692	7.65%
Equipment	68,660	100,041	78,012	22,029-	69,500	77,637	8,137	13.62%
Grants	5,433,735	5,295,334	5,697,715	402,381	5,295,334	5,806,223	510,889	4.86%
Total Costs	$30,122,825	$28,071,443	$31,712,718	$3,641,275	$27,927,493	$32,014,102	$4,086,609	5.28%
Fund Sources								
General Fund	26,637,788	26,316,772	29,569,864	3,253,092	26,265,786	29,953,791	3,688,005	11.01%
State Revenue Fund	1,811,830	337,062	725,403	388,341	337,970	736,589	398,619	-59.96%
Federal Revenue Fund	1,673,207	1,417,609	1,417,451	158-	1,323,737	1,323,722	15-	-15.29%
Total Funds	$30,122,825	$28,071,443	$31,712,718	$3,641,275	$27,927,493	$32,014,102	$4,086,609	5.28%

Division Description

The Mental Health Division includes administrative operations, the Montana State Hospital (MSH) at Warm Springs and Galen, the Center for the Aged (CFA) in Lewistown, and community mental health centers with regional headquarters located in Miles City, Billings, Great Falls, Missoula, and Helena. The purpose of this division, as defined in Section 53-21-101, MCA, is to: 1) secure care and treatment for the seriously mentally ill; 2) provide treatment in a community-based setting when possible; 3) provide treatment in an institution when necessary; and 4) assure that due process of law is accorded any person who is seriously mentally ill.

The Montana State Hospital, authorized in Section 53-6-301, MCA, performs three treatment functions: 1) psychiatric care and treatment on the Warm Springs campus; 2) medical care on the Galen campus; and 3) chemical dependency rehabilitative care on the Galen campus. The psychiatric program at Warm Springs serves mentally ill persons who cannot be appropriately treated in community programs. The medical care unit at Galen provides acute hospital and intermediate nursing care for Montana State Hospital patients who have serious medical conditions and also provides detoxification for chemically dependent admissions. The chemical dependency unit at Galen provides a 28-day alcoholism rehabilitation program and a long-term program for individuals with other drug dependencies. In fiscal 1990, the Warm Springs campus had a licensed capacity of 404 beds and an ADP of 293, while the Galen campus had a licensed capacity of 305 beds and served 162 ADP.

The Center for the Aged in Lewistown, authorized in Section 53-21-411, MCA, is a residential facility for long-term care and treatment of persons who: 1) are 55 years of age or older; 2) are transferred from Montana State Hospital or referred from Montana mental

health centers; 3) have chronic mental disorders related to the aging process; 4) require a level of care not otherwise available in the community; and 5) are not so severe or acute as to require an active treatment program such as that available at Montana State Hospital. In fiscal 1990, the facility had an ADP of 152 and a capacity of 191 beds.

Language

The legislature directed that personal services reductions be allocated by program. As a result of this allocation, actual appropriated amounts may differ from some appropriations referenced in language in House Bill 2. The correct appropriation is referenced by bracketed numbers in the language listed below.

"Transfers may be made between line items within the mental health division and the alcohol and drug abuse division (chemical dependency) for the purpose of accurately allocating operating expenses associated with the alcohol and drug programs on the Galen campus upon approval of the governor or his designated representative."

"Included in [the Mental Health Division] are [$22,356,259] in fiscal 1992 and [$22,579,831] in fiscal 1993 for the operation of Montana State Hospital. Except for approved transfers to the chemical dependency division for the purpose of accurately allocating operating expenses associated with the alcohol and drug programs on the Galen campus, no more than 5% of these funds may be transferred."

"The department shall continue to provide acute hospital care, intermediate nursing care, and chemical dependency services at the Montana State Hospital at Warm Springs and Galen without significant changes in the program at either campus."

"[In the Mental Health Division], the department may transfer appropriation authority from the personal services category to the operating expense category of the Mental Health Division budget upon approval by the Governor or his designated representative for costs associated with the Ihler lawsuit and the pilot projects in Kalispell, Missoula, and Butte.

"[The House Bill 93 utilization fees on nursing facilities] are contingent on passage and approval of House Bill No. 93."

Budget

The Mental Health Division budget increases 5.3 percent from fiscal 1990 to fiscal 1992. The number of FTE decreases because: 1) 1.0 FTE was transferred to Central Operations; 2) 1.0 FTE for the Mental Health Planning Grant was eliminated because the 1989 appropriations subcommittee requested exclusion of this budget modification from the 1993 biennium current level; 3) 51.65 FTE from the Galen Chemical Dependency Unit were transferred to the Chemical Dependency Division; 4) a budget modification for 0.25 FTE for the Community Youth Activity program was approved; and 5) an increase of 4.91 FTE from fiscal 1990 to fiscal 1991 is continued in the 1993 biennium.

MENTAL HEALTH DIVISION

Personal services increase 4.9 percent from fiscal 1990 to fiscal 1992 because cost savings due to FTE reductions are offset by: 1) the continuation of the fiscal 1991 pay plan increase in the 1993 biennium; 2) the continuation of the 4.91 FTE increase in fiscal 1991; 3) the continuation of negotiated upgrades for nurses; and 4) a transfer from contracted services to personal services. During fiscal 1990, personal service appropriation authority at MSH was transferred to contracted services to hire psychiatrists, nurses, and other professionals. Because the agency is recruiting to fill these positions, this authority is transferred from contracted services back to personal services, resulting in a decrease in operating expense and a corresponding increase in personal services.

Operating costs increase 7.7 percent from fiscal 1990 to fiscal 1992 because of: 1) inflationary increases in food, medical services, drugs, and utilities; 2) the addition of $347,362 each year for the drug, Clozaril; and 3) the addition of $32,370 for the utilization fee on nursing facilities required by House Bill 93. Partially offsetting the increases is the reduction of contracted services which had been transferred from personal services in fiscal 1990.

Equipment increases 13.6 percent because fiscal 1990 equipment expenses were lower than normal. Some of the $82,152 equipment budget approved by the legislature in fiscal 1990 was spent for supplies, maintenance, and repairs. The Mental Health Administration and MSH requests for equipment and the top seven equipment priorities at CFA are included in the 1993 biennium budget.

Grants increase 4.9 percent because budget modifications were approved as shown in the table below.

Budget Modifications

	Executive				Legislature			
Budget Modification	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93
1) Child/Adoles. Services	0.25			13,547	0.25			13,405
2) Federal Data Grant				133,875				133,875
3) Service Provider Increases							321,270	321,270
4) CFA Additional Staff	5.53	3.73	$388,044	388,044			72,200	72,200
5) Homeless Block Grants				550,000				550,000
6) HB 93 Utilization Fee							97,110	97,110
Total Division	5.78	3.73	$388,044	$1,085,466	0.25	0.00	$490,580	$1,187,860

1) Child and Adolescent Services - The legislature approved federal funds of $13,405 and 0.25 FTE in fiscal 1992 to provide child and adolescent services. These funds are the continuation of a grant begun by budget amendment in fiscal 1990 and will be used to

coordinate agency agreements concerning services to emotionally disturbed children, funding, planning, and comparable client data bases.

2) Federal Data Grant - The legislature approved federal funds of $107,100 in fiscal 1992 and $26,775 in fiscal 1993 to complete the development of a uniform and integrated mental health data system begun by budget amendment in fiscal 1990. These funds are used to: 1) contract with a consultant to review and analyze mental health data for community mental health centers and institutions; and 2) develop and enhance computerized data systems for the collection and analysis of uniform mental health client and service data. Fiscal 1990 expenditures from these grants were $20,898, and expected fiscal 1991 expenditures are $117,959. This budget modification represents the projected expenditure of a portion of the second year grant and all of the third year grant.

3) Service Provider Increases - General fund of $106,381 in fiscal 1992 and $214,889 in fiscal 1993 is for 2.0 percent annual increases in the provider rates.

4) CFA Additional Staff - The legislature approved $36,100 of general fund each year to contract for a medical director, an occupational therapist, a speech pathologist, and a psychiatrist. These services are necessary to allow the facility to comply with federal Omnibus Budget Reconciliation Act (OBRA) standards and other requirements.

5) Homeless Block Grants - Federal block grant funds of $275,000 each year are used to contract with the community mental health centers to provide services for adults with severe disabling mental illnesses who are homeless or in danger of becoming homeless. The 1989 legislature authorized expenditure of these funds through a program expansion for the 1991 biennium but stated that they could not be requested in the current level for the 1993 biennium. Therefore, spending authority for this on-going grant is requested as a budget modification.

6) House Bill 93 - Utilization Fees - The legislature appropriated $97,110 general fund for the biennium for the nursing facility utilization fee required in House Bill 93.

Funding

General fund is the primary funding source for the Mental Health Division. State revenues are earmarked alcohol tax of approximately $550,000 per year, canteen funds of approximately $160,000 per year, and interest income and donations. Annual ADMS grants of $1.02 million, Homeless Block Grants of $275,000, and the MH Data Collection grant in fiscal 1992 are the primary sources of federal funds. State and federal revenues decrease because the department reorganization transferred some earmarked alcohol tax and federal ADMS funds to the Chemical Dependency Division.

MENTAL HEALTH DIVISION

Table 5 shows the funding for each program within the Mental Health Division.

Table 5
Mental Health Division
FTE and Funding by Program

Program	Fiscal 1992 FTE	Fiscal 1992 Gen. Fund	Fiscal 1992 State Fund	Fiscal 1992 Fed./Other	Fiscal 1992 Total	Fiscal 1993 FTE	Fiscal 1993 Gen. Fund	Fiscal 1993 State Fund	Fiscal 1993 Fed./Other	Fiscal 1993 Total
Operations	4.00	$ 214,436			$ 214,436	4.00	$ 214,237			$ 214,237
State Hospital	672.36	21,646,410	$708,769	$ 1,080	22,356,259	672.36	21,858,797	$719,953	$ 1,081	22,579,831
Center for Aged	108.17	3,307,169	16,634		3,323,803	108.17	3,370,400	16,636		3,387,036
Comm. Services		4,401,849		1,020,866	5,422,715		4,510,357		1,020,866	5,531,223
Federal Grants	0.25			395,505	395,505				301,775	301,775
Tot. Division	784.78	$29,569,864	$725,403	$1,417,451	$31,712,718	784.53	$29,953,791	$736,589	$1,323,722	$32,014,102

CHEMICAL DEPENDENCY DIVISION

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	9.00	9.00	59.65	50.65	9.00	59.65	50.65	50.65
Personal Services	247,266	280,880	1,626,285	1,345,405	280,236	1,630,542	1,350,306	557.71%
Operating Expenses	95,877	211,659	213,806	2,147	125,780	141,944	16,164	123.00%
Equipment	0	5,436	738	4,698-	382	307	75-	.00%
Grants	2,025,948	4,550,890	2,588,392	1,962,498-	4,107,337	2,141,176	1,966,161-	27.76%
Debt Service	900	0	0	0	0	0	0	-100.00%
Total Costs	$2,369,991	$5,048,865	$4,429,221	$619,644-	$4,513,735	$3,913,969	$599,766-	86.89%
Fund Sources								
General Fund	215,199	605,599	246,941	358,658-	607,672	263,553	344,119-	14.75%
State Revenue Fund	320,717	1,815,770	1,556,082	259,688-	1,799,291	1,544,395	254,896-	385.19%
Federal Revenue Fund	1,834,075	2,627,496	2,626,198	1,298-	2,106,772	2,106,021	751-	43.19%
Total Funds	$2,369,991	$5,048,865	$4,429,221	$619,644-	$4,513,735	$3,913,969	$599,766-	86.89%

Division Description

The Chemical Dependency Division includes chemical dependency administration, alcohol and chemical dependency programs at Montana State Hospital in Galen, and community services. As established in Section 53-24-207, MCA, the department is responsible for establishing comprehensive and coordinated programs for the treatment of chemically dependent persons, intoxicated persons, and their families. Those programs include: 1) emergency treatment; 2) inpatient treatment; 3) intermediate treatment; 4) outpatient treatment; and 5) follow-up services.

Language

The legislature directed that personal services reductions be allocated by program. As a result of this allocation, actual appropriated amounts may differ from some appropriations referenced in language in House Bill 2. The correct appropriation is referenced by bracketed numbers in the language listed below.

"Included in the appropriation for the Montana state hospital chemical dependency program within [the Chemical Dependency Division] are [$1,380,558] in fiscal 1992 and [$1,384,937] in fiscal 1993 for the operation of the Galen chemical dependency program. No more than 5 percent of these funds may be transferred."

CHEMICAL DEPENDENCY DIVISION

Budget

Because the department reorganization split the functions at Galen between the Mental Health and Chemical Dependency divisions, only administration, community services, and personal services for the chemical dependency staff at Galen are budgeted in this program. The entire operating expenses for the Galen chemical dependency program are included in the Mental Health Division budget.

The budget increases 86.9 percent from fiscal 1990 to fiscal 1992, primarily because the Galen chemical dependency personnel are included in this program and three budget modifications have been approved. Personal services increase 557.7 percent as a net result of the following: 1) 3.0 FTE administrative personnel were moved to Central Operations; 2) 51.65 FTE chemical dependency personnel authorized in the Montana State Hospital budget in the 1991 biennium are included in the Chemical Dependency Division budget for the 1993 biennium; and 3) 2.0 FTE were approved in budget modifications shown in the table below.

Operating expenses increase 123 percent from fiscal 1990 to fiscal 1992 primarily because of a procedural accounting change for federal supplemental security income (SSI) and the addition of the budget modifications shown below. Operating expenses decrease from fiscal 1992 to fiscal 1993 because independent audit costs are budgeted in fiscal 1992 only. Equipment is funded at the executive request. Grants for community chemical dependency programs increase 27.8 percent because federal Alcohol, Drug Abuse, Mental Health Services (ADMS) funds have increased and the three budget modifications were approved.

Budget Modifications

	Executive				Legislature			
Budget Modification	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93
1) Alt. Chem. Dep. Services	2.00	2.75	$942,277	$4,077,872	1.00	1.75		$ 62,483
2) Community Youth Activity	1.00	0.25		523,583	1.00	0.25		522,886
3) Chem. Dep. Data Grant				82,235				82,235
4) HB 93 Utilization Fee							$49,836	49,836
Total Division	3.00	3.00	$942,277	$4,683,690	2.00	2.00	$49,836	$717,440

1) Alternative Chemical Dependency Services - The legislature approved federal ADMS block grant of $20,817 in fiscal 1992 and $41,666 in fiscal 1993 to fund 1.0 FTE program assistant each year and 0.75 FTE program officer in fiscal 1993.

2) Community Youth Activity Demonstration Grant - The legislature approved 1.0 FTE and federal funds of $507,276 in fiscal 1992, and 0.25 FTE and $15,610 in fiscal 1993 for a continuation of the community youth activity demonstration grant begun by budget amendment in fiscal 1990. The department received or expects to receive grants totalling $1,502,529 in successive years, with the last grant extending until August 31, 1992. In this three-year study, funded by the federal Department of Health and Human Services, nearly 90 percent of the funds are used for contracts with community based prevention programs. The remainder of the funds are used for 1.0 FTE project evaluator and operating expenses to provide technical assistance and on-site evaluations of the community programs.

3) Chemical Dependency Data Grant - The legislature approved federal funds of $65,788 in fiscal 1992 and $16,447 in fiscal 1993 to continue an alcohol and drug abuse data collection system started by budget amendment in fiscal 1990. The department received or expects to receive grants totalling $191,236 in successive years, with the last grant extending until August 31, 1992. The funds are used to expand and revise Montana's Alcohol and Drug Information System and to implement the new minimum data items required in the Anti-Drug Abuse Act of 1988.

4) House Bill 93 - Utilization Fee - The legislature appropriated $49,836 general fund for the biennium for the nursing facility utilization fee required in House Bill 93.

Funding

General fund increases 14.8 percent from fiscal 1990 to fiscal 1992, primarily because the Lighthouse program has been transferred to this division. General fund in the Community Services program in fiscal 1990 is replaced with $135,497 earmarked alcohol tax and $79,702 federal ADMS block grant each year. State revenues are earmarked alcohol taxes which increase 385.2 percent because personnel at the Galen alcohol unit are included in this division and alcohol tax replaces general fund in community services. Federal funds increase 43.2 percent because increased federal ADMS funds replaced general fund and budget modifications were approved.

CHEMICAL DEPENDENCY DIVISION

Table 6 shows the funding for each program within the Chemical Dependency Division.

Table 6
Chemical Dependency Division
FTE and Funding by Program

Program	Fiscal 1992 FTE	Fiscal 1992 Gen. Fund	Fiscal 1992 State Fund	Fiscal 1992 Fed./Other	Fiscal 1992 Total	Fiscal 1993 FTE	Fiscal 1993 Gen. Fund	Fiscal 1993 State Fund	Fiscal 1993 Fed./Other	Fiscal 1993 Total
Operations	6.00		$ 270,356	$ 26,638	$ 296,994	6.00		$ 254,290	$ 26,619	$280,909
Galen CD	51.65	$246,941	1,150,229		1,397,170	51.65	$263,553	1,154,608		1,418,161
Comm. Services			135,497	2,005,679	2,141,176			135,497	2,005,679	2,141,176
Federal Grants	2.00			593,881	593,881	2.00			73,723	73,723
Tot. Division	59.65	$246,941	$1,556,082	$2,626,198	$4,429,221	59.65	$263,553	$1,544,395	$2,106,021	$3,913,969

DEVELOPMENTAL DISABILITY DIVISION

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	545.77	475.81	476.81	1.00	432.93	431.93	1.00-	-68.96
Personal Services	12,769,136	11,997,537	11,822,175	175,362-	10,939,573	10,734,641	204,932-	-7.42%
Operating Expenses	2,128,824	1,775,011	1,779,643	4,632	1,833,919	1,839,954	6,035	-16.40%
Equipment	58,998	67,420	92,285	24,865	72,759	97,759	25,000	56.42%
Debt Service	14,757	36,444	36,444	0	30,872	30,872	0	146.96%
Total Costs	$14,971,715	$13,876,412	$13,730,547	$145,865-	$12,877,123	$12,703,226	$173,897-	-8.29%
Fund Sources								
General Fund	14,920,177	13,832,146	13,686,964	145,182-	12,843,947	12,670,535	173,412-	-8.27%
State Revenue Fund	29,266	30,700	30,227	473-	30,700	30,251	449-	3.28%
Federal Revenue Fund	22,272	13,566	13,356	210-	2,476	2,440	36-	-40.03%
Total Funds	$14,971,715	$13,876,412	$13,730,547	$145,865-	$12,877,123	$12,703,226	$173,897-	-8.29%

Division Description

The Developmental Disabilities Division includes Montana Developmental Center and Eastmont Human Services Center. Administration for this division is budgeted in the Special Services Program of the Central Operations Division.

The Montana Developmental Center in Boulder provides treatment and habilitation for profoundly mentally retarded individuals. Admission procedures and basic guidelines for care, treatment, and training are found in Title 53, Chapter 20, MCA. The fiscal 1990 ADP was 181, compared to 195 in fiscal 1988. The average daily population (ADP) at the end of the 1993 biennium is estimated at 100 to 110 patients.

The Eastmont Human Services Center in Glendive is a state facility for mentally retarded individuals. This facility, authorized in Section 53-20-502, MCA, as an extension of the Montana Developmental Center, provides intermediate nursing care, treatment, and education. The center's goal is to maintain and improve individual skills so that residents can function in the community. The staff at Eastmont emphasize cooperation with community groups and agencies and the education of the public regarding developmental disabilities and mental retardation. Fiscal 1990 capacity was 55 beds and actual ADP was 54.

DEVELOPMENTAL DISABILITY DIVISION

Legislative Intent

It is the intent of the legislature that the department have the budgetary flexibility necessary to "downsize" the Montana Developmental Center (MDC) in an efficient manner consistent with providing for the needs of the clients and maintaining the certification of the facility.

Language

"In [the Developmental Disability Division], the department may transfer appropriation authority from the personal services category to the operating expense category of the Montana Developmental Center budget upon approval of the Governor or his designated representative if the downsizing does not take place on schedule."

Budget

The budget decreases primarily because the MDC's population will be reduced from 181 in fiscal 1990 to 100-110 ADP during the biennium. The reduction of nearly 69 FTE from fiscal 1990 to fiscal 1992 is the net result of: 1) a reduction of 78.78 FTE for the "downsizing" of MDC; and 2) budget modifications which add 3.83 FTE at MDC and 6.0 FTE at Eastmont to maintain certification. An additional reduction of 44.88 FTE in fiscal 1993 is the result of the further "downsizing" of MDC.

The legislature approved the Executive proposal to downsize MDC to approximately 100-110 residents and expand community services for persons with developmental disabilities. The plan is divided into four phases, the first three of which are nearly completed. Phase I and II, implemented by the Executive during the 1991 biennium, will provide services to 24 residents in four community group homes located in Helena, Hamilton, Livingston, and Billings. The 1991 legislature provided a $1.4 million supplemental appropriation in House Bill 3 to fund Phase I and II during the 1991 biennium. Phase III, the SSSO authorized by the 1989 legislature (current level), will provide services to 52 residents in seven group homes in Missoula. Thirty MDC residents will be transferred to these homes, while the remaining 22 spaces will be reserved for persons in the community who are waiting for intensive services.

Phase IV will expand community-based services to accommodate 60 additional persons, 30 of whom will be transferred from MDC. As part of Phase IV, the MDC facility will be renovated and consolidated to enhance treatment capabilities and increase efficiencies. House Bill 963 authorized the sale of bonds for this purpose and appropriated $8.665 in bond proceeds. In total, the four-phase plan will provide community-based development disabilities services to an additional 136 persons, 84 of whom will be from MDC. In addition to the downsizing at MDC, modifications were approved in the DFS and SRS budgets to reflect the increased community population.

Table 7 shows the general fund appropriations approved by the legislature to carry out the MDC down-sizing compared to the LFA current level budget which reflects continued funding of MDC at its current level population and no further community program expansion.

DEVELOPMENTAL DISABILITY DIVISION

Table 7
1993 Biennium General Fund Appropriations to Implement DD System Revisions

Budget Item	Legislature Fiscal 1992	LFA* Fiscal 1992	Difference Fiscal 1992	Legislature Fiscal 1993	LFA* Fiscal 1993	Difference Fiscal 1993
Mt. Development Center	$10,876,626	$12,118,389**	($1,241,763)	$9,851,953	$12,219,752**	($2,367,799)
SRS Phase I & II	391,794		391,794	389,156		389,156
SRS Phase III	952,605	952,605		950,542	950,542	
SRS Phase IV	725,745		725,745	1,213,331		1,213,331
DFS Phase I & II	27,072		27,072	27,072		27,072
DFS Phase IV	91,839		91,839	167,545		167,545
Total Difference***	$13,065,681	$13,070,994	$ (5,313)	$12,599,599	$13,170,294	$ (570,695)

* Includes MDC reduction of 30 average daily population (ADP) transferred to Phase III (SSSO) approved by the 1989 legislature.
**LFA current level personal services for MDC is reduced 2 percent to permit accurate comparisons with action taken by legislature.
***Does not include federal reimbursement revenue loss to the general fund as a result of decreased MDC expenditures.

Personal services decrease from fiscal 1990 to fiscal 1992 as a net result of: 1) reductions in FTE as noted above; 2) upgrades for rehabilitation aides at Eastmont to resident care aides, as approved by the Department of Administration; 3) continuation of negotiated upgrades for nurses; and 4) changes in worker's compensation modification factors and rates that increased personal services benefits over $70,000 per year at Eastmont. In addition, fiscal 1991 pay plan increases are continued in the 1993 biennium.

Operating expenses decrease 16.4 percent from fiscal 1990 to fiscal 1992. Operational changes are: 1) the "downsizing" of MDC, which results in a reduction of variable costs and other operating expenses of $338,777; 2) contracted services that were reduced over $41,000 in fiscal 1992 and transferred back to personal services; and 3) inflationary increases in food, medical supplies, and utilities at the two institutions of over $30,000 in fiscal 1992. The increase from fiscal 1992 to fiscal 1993 is primarily due to inflation offsetting the effects of "downsizing" MDC.

Equipment increases 56.4 percent from fiscal 1990 to fiscal 1992 primarily because $56,202 in fiscal 1992 ($61,773 in fiscal 1993) is included for principal payments on the new cook-chill food system at MDC. Also included in the equipment budget is the MDC request for furniture and vehicles each year and the top 17 biennial equipment priorities at Eastmont. Debt service is for interest payments on the cook-chill food system.

DEVELOPMENTAL DISABILITY DIVISION

Budget Modifications

	Executive				Legislature			
Budget Modification	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93
1) MDC ICF/MR Certification	3.83	2.00	$137,664	$137,664	3.83	2.00	$134,911	$134,911
2) Eastmont ICF/MR Cert.	6.00	6.00	279,410	279,410	6.00	6.00	273,822	273,822
Total	9.83	8.00	$417,074	$417,074	9.83	8.00	$408,733	$408,733

1) ICF/MR Certification at MDC - The legislature approved an additional 3.83 FTE and general fund of $89,278 in fiscal 1992 and 2.0 FTE and general fund of $45,633 in fiscal 1993 to maintain certification. In 1989, a Department of Health and Environmental Sciences (DHES) survey noted major deficiencies at MDC, especially in program management and client care. The department was required to improve services or risk decertification and the loss of medicaid reimbursements. To address the deficiencies, the department added 21.5 FTE. In April 1990, based on the improved services provided by the additional staff, DHES certified MDC as an intermediate care facility for the mentally retarded (ICF/MR). The facility failed a DHES survey in February, 1991 and passed a follow-up survey in March, 1991. This budget modification is the portion of the FTE added in fiscal 1990 that the department feels are necessary to maintain certification in a "downsized" facility in the 1993 biennium.

2) ICF/MR Certification at Eastmont - The legislature approved an additional 6.0 FTE at a general fund cost of $136,720 in fiscal 1992 and $137,102 in fiscal 1993 in order to maintain ICF/MR certification at Eastmont. In November 1989, a DHES survey noted major deficiencies at Eastmont, especially in staff training and active treatment for the patients. The department was required to improve services or risk decertification and the loss of $1.3 million per year in medicaid reimbursements. To address the deficiencies, the department added 1.0 FTE training and developmental specialist, 1.0 FTE habilitation training specialist, 1.0 FTE rehabilitation aide, and 3.0 FTE resident care aides. Based on the improved services provided by the additional staff, in April 1990, DHES certified Eastmont as an intermediate care facility for the mentally retarded.

Funding

Funding for MDC and Eastmont is primarily general fund. State special revenue consists of approximately $10,535 in donations and $19,700 in income from the sale of resident-produced products each year. Federal revenues are: 1) Chapter I and II funds of approximately $10,919 in fiscal 1992 only; and 2) school foods funds of over $2,400 each year from the Department of Education. It is anticipated that, because of the downsizing, most school age clients will move into the community and that Chapter I and II funds will not continue in fiscal 1993.

DEVELOPMENTAL DISABILITY DIVISION

Table 8 shows the funding for each program within the Developmental Disability Division.

Table 8
Developmental Disabilities Division
FTE and Funding by Program

Program	Fiscal 1992 FTE	Fiscal 1992 Gen. Fund	Fiscal 1992 State Fund	Fiscal 1992 Fed./Other	Fiscal 1992 Total	Fiscal 1993 FTE	Fiscal 1993 Gen. Fund	Fiscal 1993 State Fund	Fiscal 1993 Fed./Other	Fiscal 1993 Total
MDC	372.19	$10,876,626	$29,538	$13,356	$10,919,520	327.31	$ 9,851,953	$29,562	$2,440	$ 9,883,955
Eastmont	104.62	2,810,338	689		2,811,027	104.62	2,818,582	689		2,819,271
Tot. Division	476.81	$13,686,964	$30,227	$13,356	$13,730,547	431.93	$12,670,535	$30,251	$2,440	$12,703,226

VETERANS' HOME DIVISION

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	86.40	84.89	85.89	1.00	84.89	85.89	1.00	-.51
Personal Services	1,788,265	1,961,711	2,011,815	50,104	1,969,218	2,022,948	53,730	12.50%
Operating Expenses	598,172	653,341	681,778	28,437	668,911	732,309	63,398	13.98%
Equipment	790	5,803	6,082	279	5,827	5,524	303-	669.87%
Total Costs	$2,387,227	$2,620,855	$2,699,675	$78,820	$2,643,956	$2,760,781	$116,825	13.09%
Fund Sources								
General Fund	512,480	722,095	832,082	109,987	711,192	854,937	143,745	62.36%
State Revenue Fund	1,104,733	1,128,749	1,106,550	22,199-	1,162,753	1,144,715	18,038-	.16%
Federal Revenue Fund	770,014	770,011	761,043	8,968-	770,011	761,129	8,882-	-1.17%
Total Funds	$2,387,227	$2,620,855	$2,699,675	$78,820	$2,643,956	$2,760,781	$116,825	13.09%

Division Description

The Veterans' Home Division includes the Montana Veterans' Home in Columbia Falls and a potential new home in Glendive. These facilities, as authorized in Sections 10-2-401 through 10-2-404, MCA, provide nursing and/or domiciliary care for qualified veterans. Spouses of eligible veterans are also admitted when space is available. Administration for this division is budgeted in the special services program of the Central Operations Division.

The Columbia Falls facility contains 61 domiciliary and 90 nursing care beds. Fiscal 1990 ADP of 124 included 38 ADP in domiciliary and 86 ADP in nursing care. The 100-bed Eastern Montana Veteran's home is to be constructed during the 1993 biennium. Therefore, an operating budget is not needed until the 1995 biennium.

Budget

The budget increases 13.1 percent from fiscal 1990 to fiscal 1992, primarily because FTE are funded at the fiscal 1991 level, less a 2 percent personal services reduction, and operating expenses are adjusted for inflation. The number of FTE is equal to those approved for fiscal 1991 and is 0.51 FTE less than fiscal 1990 FTE. Personal services increase 12.5 percent because: 1) approximately $12,000 each year was added to continue salaries for grade 8 aides whose positions were downgraded to grade 7; 2) upgrades for nurses are continued in the 1993 biennium; and 3) the fiscal 1991 pay plan increase is continued in the 1993 biennium.

VETERANS' HOME DIVISION

Operating expenses increase 14 percent from fiscal 1990 to fiscal 1992 because: 1) inflationary increases in medical services, supplies and utilities add approximately $24,000 in fiscal 1992; 2) an increase of $6,000 raises the canteen spending authority to the fiscal 1991 appropriated level; 3) increases for the HPI pharmacy contract add over $23,000 in fiscal 1992; and 4) $30,200 was added for the nursing home utilization fee required in House Bill 93. The additional $61,000 increase in fiscal 1993 results from similar increases for the second year of the biennium.

Equipment increases from fiscal 1990 to fiscal 1992 because fiscal 1990 expenses were lower than normal. Equipment budgeted for the 1993 biennium includes a wander alarm system, electric beds with mattresses and a micro computer.

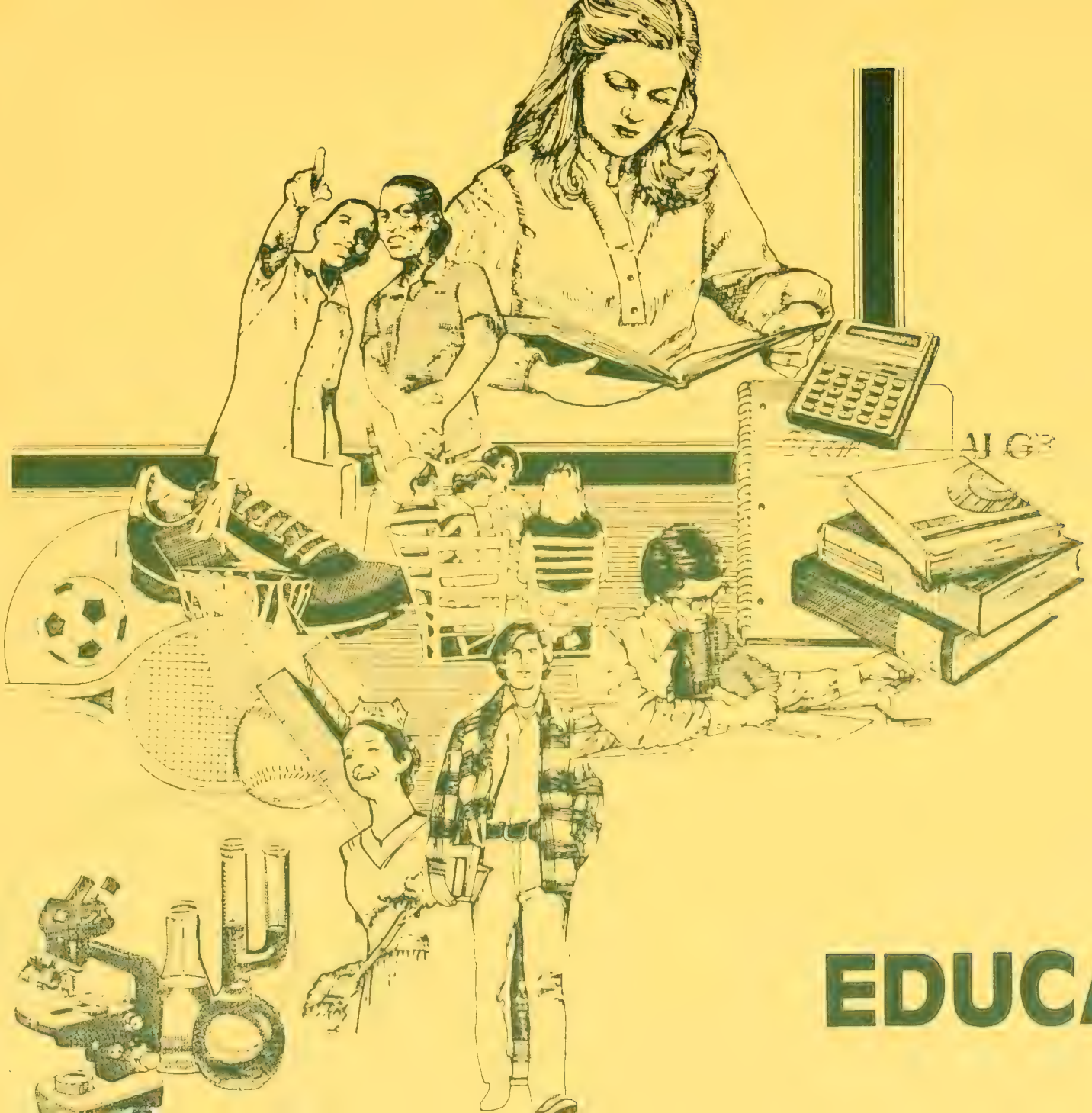
Budget Modification

	Executive				Legislature			
Budget Modification	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93
1) HB 93 Utilization Fee							$90,600	$90,600

1) House Bill 93 - Utilization Fee - The legislature approved $90,600 for the biennium for the nursing facility utilization fee required in House Bill 93.

Funding

General fund increases over 62 percent from fiscal 1990 to fiscal 1992, primarily because private reimbursements and federal funds have not increased as much as expenses. State revenue includes: 1) lease revenue of $3,835 in fiscal 1992 and $5,387 in fiscal 1993; and 2) third party and private reimbursements. Federal Veterans' Administration reimbursements are $761,043 in fiscal 1992 and $761,129 in fiscal 1993. If Veterans' Administration reimbursement exceeds the appropriated amount, the general fund appropriation will be reduced administratively so that federal funds are spent in lieu of general fund. If, however, reimbursements remain as budgeted, the general fund share of the budget will increase from 21.5 percent in fiscal 1990 to 30.8 percent in fiscal 1992.



EDUCATION

OFFICE OF PUBLIC INSTRUCTION

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	124.40	133.73	140.23	6.50	133.73	140.23	6.50	15.83
Personal Services	3,679,912	4,332,079	4,409,828	77,749	4,325,061	4,400,628	75,567	19.84%
Operating Expenses	2,114,340	3,191,803	3,934,137	742,334	3,227,594	3,521,358	293,764	86.07%
Equipment	185,164	160,366	228,612	68,246	116,698	118,296	1,598	23.46%
Local Assistance	41,996,368	41,968,937	48,223,179	6,254,242	41,968,937	44,408,209	2,439,272	14.83%
Grants	5,436,689	4,563,582	9,592,400	5,028,818	4,569,582	406,800	4,162,782-	76.44%
Transfers	360,000	425,049	435,074	10,025	426,226	435,121	8,895	20.85%
Total Costs	$53,772,473	$54,641,816	$66,823,230	$12,181,414	$54,634,098	$53,290,412	$1,343,686-	24.27%
Fund Sources								
General Fund	44,845,969	45,316,335	48,048,246	2,731,911	45,259,174	44,018,168	1,241,006-	7.14%
State Revenue Fund	1,502,449	383,539	4,378,187	3,994,648	384,817	4,295,762	3,910,945	191.40%
Federal Revenue Fund	6,657,964	8,097,578	13,439,982	5,342,404	8,142,100	4,089,022	4,053,078-	101.86%
Proprietary Fund	766,091	844,364	956,815	112,451	848,007	887,460	39,453	24.90%
Total Funds	$53,772,473	$54,641,816	$66,823,230	$12,181,414	$54,634,098	$53,290,412	$1,343,686-	24.27%

Agency Description

The Superintendent of Public Instruction is an elected official mandated by Section 1, Article VI, of the Montana Constitution. Section 20-3-106, MCA, states that the Superintendent "...has the general supervision of the public schools and districts of the state." Section 20-7-301, MCA, names the Superintendent as "the governing agent and executive officer" for vocational education in Montana. The office provides services to Montana's school-age children and to teachers in 556 school districts. The staff provides technical assistance in planning, implementing, and evaluating educational programs in such areas as teacher preparation, teacher certification, school accreditation, school curriculum, school finance, and school law. The staff administers a number of federally funded programs and provides a variety of information services.

During the 1991 biennium the Superintendent of Public Instruction state administrative functions were composed of three programs for budgeting purposes: 1) State Superintendent's office; 2) Central Services; and 3) Education Services. For the 1993 biennium, the legislature combined these administrative programs into one program for appropriation purposes.

OFFICE OF PUBLIC INSTRUCTION

Budget

The legislature implemented a 2 percent reduction in funding for the agency personal services in fiscal 1992 and 1993. Funding sources at the agency level were reduced in proportion to the total personal services at the program level. The pay plan increase for fiscal 1992 and fiscal 1993 (HB 509) is not included in the table above or in the program tables. In volume I of this report in the "Pay Plan" section is a description of the pay plan increase and a table showing allocations to each agency.

The budget for the Office of Public Instruction (OPI) consists of two programs for the 1993 biennium: Administration and Distribution to Public Schools. The Administration program is the operating portion of OPI. All FTE and operating expenses are budgeted within this program. The Distribution to Schools program reflects those state and federal funds which are passed through to local school districts.

The budget for the agency increases 24.3 percent over fiscal 1990. Included in this increase are 15.83 additional FTE and a 19.8 percent increase in personal services.

Operating expenses increase 86.1 percent primarily due to the budget modifications, which add $1.49 million of operating expenses in fiscal year 1992 and $1.15 million in fiscal 1993. The equipment budget increases 23.5 percent due primarily to the budget modifications.

Transfers reflect the general fund contribution to the agency indirect cost pool or proprietary fund. Local assistance and grants represent those state and federal funds that are passed through to the state's school districts.

Budget Modifications

A table summarizing the approved budget modifications is provided in the Administration program, along with a brief description of each budget modification.

Funding

Over 76 percent of OPI's budget is general fund. Of the total general fund appropriation for the 1993 biennium, 92 percent is distributed to school districts.

State special funds include school equalization funds, motorcycle safety funds, traffic safety funds, school lunch program funds and audiovisual and media library funds. State special revenue increases by 191.4 percent from fiscal 1990 primarily as a result of the legislature appropriating $3,908,166 in fiscal 1992 and $3,914,457 from the school equalization funds for increased state support of school transportation as a result of the passage of Senate Bill 82.

OFFICE OF PUBLIC INSTRUCTION

Federal funds constitute approximately 15 percent of the biennial budget. The large increase from fiscal 1990 to 1992 primarily reflects the fact that many of the 1993 biennium federal appropriations are biennial and are shown in the table in fiscal 1992 only. The federal appropriations increase approximately 19 percent from the 1991 biennium to the 1993 biennium. Of the total federal funds in the 1993 biennium, 52 percent are distributed to school districts. Federal revenues are increased based upon anticipated revenues.

Other Legislation

	Fiscal 1992			Fiscal 1993		
Bill No./Description	FTE	General Fund	Total Funds	FTE	General Fund	Total Funds
HB 30 - Education Telecomm network		$ 0	$ 148,000*			$148,000*
HB 999 - In-state residential treatment		2,471,000	2,471,000**			0
Totals		$2,471,000	$2,619,000	0.0	$0	$148,000

* Annual appropriations from the state equalization aid account based upon an amount equal to $1 for each ANB for the previous year.
** Biennial appropriation

HB 30 - Montana educational telecommunications network - The legislature appropriated from the state equalization aid account an amount equal to $1 for each average number belonging (ANB) calculated for the state for the previous school fiscal year. This is estimated to be approximately $148,000 per year. The funds are appropriated to enable OPI to generally supervise the delivery of educational materials through the educational telecommunications network to Montana schools and assist school districts in using the network.

HB 999 - Provide funding for education programs for children placed in in-state residential treatment facilities - The legislature appropriated $2,471,000 general fund for the 1993 biennium to OPI to fund educational programs for children with disabilities who are placed in an in-state children's psychiatric hospital or residential treatment facility.

OPI ADMINISTRATION

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	124.40	133.73	140.23	6.50	133.73	140.23	6.50	15.83
Personal Services	3,679,912	4,332,079	4,409,828	77,749	4,325,061	4,400,628	75,567	19.84%
Operating Expenses	2,097,429	3,191,803	3,934,137	742,334	3,227,594	3,521,358	293,764	87.57%
Equipment	185,164	160,366	228,612	68,246	116,698	118,296	1,598	23.46%
Local Assistance	14,051	0	0	0	0	0	0	-100.00%
Grants	14,796	430,800	400,800	30,000-	436,800	406,800	30,000-	2608.84%
Transfers	360,000	425,049	435,074	10,025	426,226	435,121	8,895	20.85%
Total Costs	$6,351,352	$8,540,097	$9,408,451	$868,354	$8,532,379	$8,882,203	$349,824	48.13%
Fund Sources								
General Fund	2,747,147	3,347,398	3,733,233	385,835	3,290,237	3,524,416	234,179	35.89%
State Revenue Fund	302,449	383,539	470,021	86,482	384,817	381,305	3,512-	55.41%
Federal Revenue Fund	2,535,665	3,964,796	4,248,382	283,586	4,009,318	4,089,022	79,704	67.55%
Proprietary Fund	766,091	844,364	956,815	112,451	848,007	887,460	39,453	24.90%
Total Funds	$6,351,352	$8,540,097	$9,408,451	$868,354	$8,532,379	$8,882,203	$349,824	48.13%

Program Description

At the agency's request, the legislature combined in the Administration program three programs: 1) State Superintendent's office; 2) Central Services; and 3) Educational Services.

The Administration program provides leadership and coordination of services to a variety of school and public groups. The staff provides assistance to the Superintendent of Public Instruction in performing prescribed duties. The program also supports the Superintendent's statutory role with the Board of Public Education, Board of Regents, and Land Board.

The Administration program is responsible for the distribution and accounting of state and federal funds provided to school districts. The program provides data processing, word processing, purchasing, legal, payroll, personnel, mail, and analytic and accounting support to operations within the Office of Public Instruction (OPI). This program also responds to requests for information and data from school districts, federal programs, elected officials, and the general public. Reference library and school publications functions reside within the program.

OPI ADMINISTRATION

The Administration program administers all federal grants received by OPI. The program includes the budgets for six functions: 1) curriculum assistance; 2) special education; 3) Chapter I administration; 4) secondary vocational education administration; 5) Title IV administration; and 6) other educational services including driver's education, school food services, and audiology.

Language

"[Administration program] includes $81,564 for fiscal 1992 and $81,810 for fiscal 1993 appropriated from the traffic safety account for Motorcycle Safety. This appropriation is contingent upon the passage and approval of House Bill 763."

House Bill 763 combines the Motorcycle Safety Training program with the Traffic Education program and consolidates the programs' revenues into one account. The bill also removes the statutory appropriation (Section 61-2-406, MCA) for motorcycle safety administration, thus necessitating that the legislature appropriate the budget for administration of the Motorcycle Safety program.

"The legislature authorizes the addition of 0.5 FTE funded from the federal National Origins grant and 0.5 FTE funded from the federal school foods grant appropriated in [Administration program]."

Budget

Personal services increase by 15.83 FTE and 19.8 percent from the 1990 fiscal year due to: 1) vacancy savings experienced in fiscal 1990; 2) the fiscal 1991 pay plan increase continued in the 1993 biennium; 3) budget modifications which added 10.5 FTE; 4) continuing 4.0 FTE added in the 1989 special session's House Bill 16 and House Bill 28 (which required OPI to assist school districts to implement generally accepted accounting practices and the new school equalization bill); and 5) funding the Motorcycle Safety program (which includes 1.3 FTE) in the general appropriation act. In the past, this had been a statutory appropriation. The passage and approval of HB 763 repeals this as a statutory appropriation, requiring appropriation of these funds in House Bill 2.

Operating expenses increase 87.6 percent from fiscal 1990 to fiscal 1992 due to: 1) adding $1,489,810 of operating expenses from budget modifications; 2) including $56,526 in the operating expense base to continue operations added in House Bill 16 and House Bill 28; 3) including $43,962 for the Motorcycle Safety program; 4) budgeting the biennial audit costs in the first year of the biennium, (a $34,613 increase from actual fiscal 1990 expenditures); 5) increasing consultant services by $61,000 primarily for education professionals to develop curriculum in four areas; 6) increasing travel $33,363 to increase staff contact with local school district supervisors; 7) increasing computer network costs $72,000; 8) increasing printing costs $26,000; and 9) inflationary adjustments of approximately $25,000.

The equipment budget includes $228,612 in fiscal 1992 and $118,296 in fiscal 1993, for office equipment, audiovisual equipment, and computer hardware and software. Included in these totals are $141,158 in fiscal 1992 and $39,046 for fiscal 1993 for equipment added by budget modifications.

OPI ADMINISTRATION

The budget includes $435,074 for fiscal year 1992 and $435,121 for fiscal 1993 in general fund as a transfer to the indirect cost pool. This is a 20.9 percent increase over fiscal year 1990.

Federal grants include: 1) Title IV grants of $20,800; 2) Migrant Children grants of $320,000 which are contracted to school districts and 3) $60,000 for the Jobs for Montana graduates program.

Budget Modifications

	Executive				Legislature			
Modification Type	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93
1) Curriculum specialist							$420,000	$420,000
2) Audiology			136,000	136,000			136,000	218,000
3) Expanded food coop				26,032				26,032
4) Bicentennial competition				15,000				15,000
5) Chapter I				100,000				100,000
6) Education of the Handicapped				642,000				642,000
7) Race equity				50,000				50,000
8) Drug free	2.00	2.00		264,980	2.00	2.00		263,026
9) AIDS education	1.50	1.50		198,000	1.50	1.50		196,216
10) Nutritional Education				25,000				25,000
11) Chapter 2				283,686				283,686
12) Migrant grants				640,000				640,000
13) Bilingual	0.50	0.50		50,000	0.50	0.50		49,347
14) National origins	0.50	0.50			0.50	0.50		
15) School Foods	0.50	0.50			0.50	0.50		
16) Financial Management					4.00	4.00	386,712	518,208
17) Resource center funds								8,000
18) Indian Education							48,068	48,068
19) Other Federal					1.50	1.50		385,011
20) Jobs for Montana Graduates								251,002
21) Court-ordered fees							11,000	11,000
Total	5.00	5.00	$136,000	$2,430,698	10.50	10.50	$1,001,780	$4,149,596

OPI ADMINISTRATION

1) Curriculum Specialist - The legislature added $210,000 general fund each year for curriculum specialists currently funded from federal funds. This was done to increase state support to local school districts for training and curriculum enhancement.

2) Audiology - This program provides hearing tests and services to children around the state. For the 1989 and 1991 biennia, the program was funded from state funds and a US West donation. In 1990, US West informed OPI that it would no longer contribute to the program beyond fiscal 1991. The legislature funded $136,000 general fund and $82,000 from anticipated private sources for the 1993 biennium as a biennial appropriation.

3) Expanded Food Coop - OPI acts as a purchasing agent of school food supplies for school districts requesting those services. OPI levies a 2.0 percent surcharge to pay for the service. Although OPI has generated enough income to support the coop food purchase service in prior years, it used federal school foods administrative funds to supplement this function. In fiscal 1990, the federal government informed OPI that administrative funds could no longer be used for this purpose. The legislature included $12,500 in fiscal 1992 and $13,532 in fiscal 1993 in additional spending authority to fully fund this function from the 2.0 percent surcharge. Addition of this budget modification would give OPI total authority of $33,597 in fiscal 1992 and $34,449 in fiscal 1993.

4) Bicentennial Grant - The legislature included $7,500 federal authority each year of the 1993 biennium for administration of the National Bicentennial Competition on the Constitution and Bill of Rights.

5) Chapter I - The legislature increased Chapter I funds by $50,000 each fiscal year for a total Chapter I appropriation of $375,000 per year. The federal government has increased the state's Chapter I administration grant by $50,000 per year to implement the new Chapter I program improvement requirements for disadvantaged students.

6) Education of Handicapped - The legislature approved additional federal authority of $300,000 in fiscal 1992 and $342,000 in fiscal 1993 for a total budget of $843,000 in fiscal 1992 and $885,000 in fiscal 1993. The increase is due to: 1) an estimated increase in the grant award from the federal government; and 2) the use of prior years' carryover and set-aside funds.

7) Race Equity - The legislature increased this grant by $25,000 each fiscal year for a total budget of $46,018 each fiscal year. The federal grant award, which is expected to increase, will be used to provide additional technical assistance to schools on or near Indian reservations or those that have other minority children enrolled.

8) Drug free - This modification adds $131,512 in fiscal 1992 and $131,514 in fiscal 1993. The increased federal funds add 2.0 FTE and related expenses to provide technical assistance and services to schools.

9) AIDS Education - This modification adds federal funds of $98,107 in fiscal 1992 and $98,109 in fiscal 1993. An additional 1.5 FTE and related expenses would be added to provide additional technical assistance and services to schools.

10) Nutritional grant - This modification adds $12,500 federal funds each fiscal year for a total budget of $62,500 per year. This increase would be used to provide additional nutritional education training workshops.

11) Chapter 2 - The legislature added $141,843 federal funds each fiscal year for a total budget of $539,704 per year. Increased federal funding is available due to additional program requirements and an increase in carry-over funds from previous years' grants.

12) Migrant Grants - This modification adds $320,000 federal funds each year which OPI then contracts out to local school districts. Migrant grant monies were previously accounted for in the agency fund and were not appropriated by the legislature.

13) Bilingual - This modification adds federal funds of $24,673 in fiscal 1992 and $24,674 in fiscal 1993. This addition is due to an increase in the federal grant award. A 0.5 FTE is included in the modification.

14) National Origins - While this federal grant is not expected to change from the fiscal 1990 appropriated level, OPI requests that 0.5 FTE be added to perform work currently being done under contract in order to comply with the grant as approved by the Department of Education.

15) School Foods - While the federal grant level for this program is not expected to change, the legislature added 0.5 FTE to make the program specialist full-time. There is currently $67,277 of general fund in the School Foods program, which represents the required maintenance of effort in order to be eligible for federal funding.

16) Financial Management - This modification adds 4.0 FTE (three fiscal officers and one administrative assistant). The modification's budget includes general fund of $214,355 in fiscal 1992 and $172,357 in fiscal 1993 and proprietary funds of $71,769 in fiscal 1992 and $59,727 in fiscal year 1993.

17) Resource Center Funds - The OPI film library has accumulated a balance in the state special account. This modification appropriates the $8,000 balance in the account for operating expenses in fiscal 1992 only.

18) Indian Education - This modification funds half of the Indian education specialist position from the general fund. This position is presently funded 100 percent from Johnson/ O'Malley federal funds. These remaining federal funds can then be utilized for operational and education development needs.

19) Other Federal - This modification added 1.5 FTE and $291,302 federal funds for fiscal 1992 and $93,709 for fiscal 1993. This represents federal funds from the following sources: 1) Mckinney Homeless, $4,014; 2) Star Schools program, $242,354; 3) Bus Safety, $28,934; 4) teacher education, $3,000; 4) Geography Bee, $3,000; and 5) chief state school officer, $10,000.

20) Jobs for Montana Graduates - This modification represents a transfer of this program from the Department of Labor and Industry (DOLI). The program was implemented in FY 1991 in the DOLI by budget amendment from unemployment insurance administrative tax funds. This program provides job training services to high school students who are at risk of dropping out of school.

21) Court-ordered attorney fees - This modification adds $11,000 in general fund for fiscal 1992 to pay court-ordered attorney fees in a sex discrimination case filed against the Office of Public Instruction and the Montana High School Association. The case originated in 1982 and was resolved in 1991. The court decided attorneys' fees would be paid as a part of this case in March 1991.

OPI ADMINISTRATION

Funding

The Administration program is funded approximately 40 percent from the general fund. General fund increases 35.9 percent from fiscal 1990 to 1992 due primarily to the approved budget modifications and current level adjustments. Budget modifications add $1,001,780 general fund in the 1993 biennium and the continuation of the GAAP accounting standards implementation for school districts function adds $356,382 to the biennial budget.

State special funds increase as a result of: 1) the inclusion of $161,992 in the biennium for the motorcycle safety function, which in the past has been appropriated statutorily; 2) increased school food purchases of $26,032 over the biennium; and 3) $8,000 from fees deposited in the audiovisual library account.

Federal revenue funds increase 67.6 percent from fiscal 1990 to 1992 due to the budget modifications. The legislature approved federally funded budget modifications totalling $2.9 million in the 1993 biennium.

The proprietary fund that supports administrative functions funded from indirect costs increase by 24.9 percent.

DISTRIBUTION TO PUBLIC SCHOOLS

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	.00	.00	.00	.00	.00	.00	.00	.00
Operating Expenses	16,911	0	0	0	0	0	0	-100.00%
Local Assistance	41,982,317	41,968,937	48,223,179	6,254,242	41,968,937	44,408,209	2,439,272	14.87%
Grants	5,421,893	4,132,782	9,191,600	5,058,818	4,132,782	0	4,132,782-	69.53%
Total Costs	$47,421,121	$46,101,719	$57,414,779	$11,313,060	$46,101,719	$44,408,209	$1,693,510-	21.07%
Fund Sources								
General Fund	42,098,822	41,968,937	44,315,013	2,346,076	41,968,937	40,493,752	1,475,185-	5.26%
State Revenue Fund	1,200,000	0	3,908,166	3,908,166	0	3,914,457	3,914,457	225.68%
Federal Revenue Fund	4,122,299	4,132,782	9,191,600	5,058,818	4,132,782	0	4,132,782-	122.97%
Total Funds	$47,421,121	$46,101,719	$57,414,779	$11,313,060	$46,101,719	$44,408,209	$1,693,510-	21.07%

Program Description

The Distribution to Public Schools program is used by the Office of Public Instruction to distribute various funds to local education agencies. The "pass-through" funds contained in this budget include the state's share of special education, transportation, school lunch, adult basic education, gifted and talented, discretionary federal funds, and traffic safety funds.

Language

"[Special Education Contingency] is a biennial appropriation. This appropriation is for unforeseen expenses that may arise in special education programs in local districts. A district board of trustees may apply for an allocation from these funds by presenting to the superintendent of public instruction, for each child, a child-study (CST) report and an individual education plan (IEP) relating to this unforeseen expense or, if the need for additional personnel is due to case load excess, a board of trustees verification of completed IEP's and CST's. In addition, a current listing of program, case loads, and related costs must be submitted. Contingency funds may be awarded for positions that have gone unfilled for an entire school year and for which regular state special education funds were not awarded. The agency may transfer any unused balance in this appropriation into the special education appropriation, item 2.a."

"All revenue received in the state traffic education account under the provisions of 20-7-504, MCA, is appropriated as provided in Title 20, Chapter 7, Part 5, MCA."

DISTRIBUTION TO PUBLIC SCHOOLS

Budget

The program budget increases 21.1 percent from fiscal 1990 to 1992. However, a number of assistance programs and grants are biennial appropriations. Table 1 on the following page details the local assistance and grants included in this program and includes a biennial comparison. As the table shows, the general fund assistance programs increase 0.9 percent and the federal grant programs 11.3 percent in the 1993 biennium. Each assistance program is briefly described following Table 1.

In addition to the assistance programs and grants listed in Table 1, OPI also distributes the school foundation and guaranteed tax base funds to local school districts. Because funds for these programs are statutorily appropriated, they are not included on the program table or Table 1.

Table 1
Distribution to Public Schools by Fund Type

BUDGET ITEM	Actual Fiscal 1990	Approp Fiscal 1991	Executive Fiscal 1992	Legislature Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Change 1991-93 Biennium
GENERAL FUND PROGRAMS							
Special Education	$33,350,530	$33,361,646	$33,361,646	$32,845,797	$33,361,646	$32,845,797	-1.53%
Special Ed contingency	486,907	500,000	500,000	2,031,699	500,000	*	105.87%
Transportation	6,458,483	6,252,894	6,252,894	6,483,120	6,252,894	6,493,558	2.09%
School Foods	599,397	599,397	599,397	599,397	599,397	599,397	0.00%
Gifted & Talented	99,867	100,000	100,000	300,000	100,000	300,000	200.20%
Secondary Vo-ED	899,730	900,000	900,000	1,800,000	900,000	*	0.02%
Adult Basic Education	200,000	250,000	250,000	250,000	250,000	250,000	11.11%
Impact Aid	3,908	5,000	5,000	5,000	5,000	5,000	12.26%
Total General Fund	$42,098,822	$41,968,937	$41,968,937	$44,315,013	$41,968,937	$40,493,752	0.88%
STATE SPECIAL REVENUE							
Traffic Safety Distrib.	$ 1,200,000	$ 1,200,000	0	**	0	**	--
Transportation	0	0	0	$ 3,908,166	0	$ 3,914,457	--

DISTRIBUTION TO PUBLIC SCHOOLS

FEDERAL DISCRETIONARY GRANTS							
a) EHA - B	198,500	505,000	505,000	1,356,000	505,000	*	92.75%
b) JTPA	522,873	508,602	508,602	1,017,200	508,602	*	-1.38%
c) Adult Basic Ed	539,018	498,968	498,968	1,198,000	498,968	*	15.42%
d) Mckinney Homeless	63,806	70,212	70,212	140,400	70,212	*	4.76%
e) Pre-School Incentive	258,003	50,000	50,000	230,000	50,000	*	-25.33%
f) Vocation Education	2,540,099	2,500,000	2,500,000	5,000,000	2,500,000	*	-0.80%
g) English Literacy	0	0	0	25,000	0	*	100.00%
h) EHA - D	0	0	0	45,000	0	*	100.00%
i) Chapter 1	0	0	0	180,000	0	*	100.00%
Total Federal Funds	$ 4,122,299	$ 4,132,782	$ 4,132,782	$ 9,191,600	$ 4,132,782	$ 0	11.34%
Total Distribution to Public Schools Program	$47,421,121	$47,301,719	$46,101,719	$57,414,779	$46,101,719	$44,408,209	7.50%

*Biennial Appropriations
**Language Appropriation

Special Education and Special Education Contingency - Federal and state laws require school districts to provide an appropriate public education program for all handicapped children. Special education provides this education for children with a variety of handicapping conditions. The legislature adopted the total Executive Budget recommendation for these distribution programs but reallocated the funds by year and purpose. The legislature combined the Executive recommendation for the regular and contingency special education programs (totalling $67,723,293 for the 1993 biennium) and allocated 3.0 percent of this as a biennial contingency appropriation. The remainder was allocated for the general special education appropriation and was evenly divided between fiscal years.

Special education contingency funds are awarded by OPI to meet unexpected needs in district special education budgets. It is the legislature's intent that any unused balance in the special education contingency appropriation may be transferred into the general special education appropriation for distribution to school districts.

Transportation - School districts providing student transportation from home to school in excess of three miles are entitled to a statutory reimbursement based upon rate per mile, bus size, and occupancy. As a result of the passage and approval of Senate Bill 82 by the 52nd Legislature, the state's share of this reimbursement for regular elementary students is changed from one-third to one-half of the statutory rate, which is the same as the present share paid for secondary students. For special education students, the state's share is increased from two-thirds to 100 percent of the approved cost per mile. SB 82 also increased the cost per bus mile for a bus with a rated capacity of 12 to 45 from 80 cents per mile to 85 cents, a 6.25 percent increase. Reflecting the supplemental appropriation required in fiscal 1991, the budget in HB 2 includes $6,483,120 general fund for fiscal 1992 and $6,493,558 general fund for fiscal 1993 for the state's share of reimbursable transportation costs. This is a $230,226 general fund increase in fiscal 1992 and $240,664 general fund increase in fiscal 1993 over the fiscal 1991 appropriated level prior to the supplemental. As a result

of the passage of Senate Bill 82 the legislature appropriated $3,908,166 for fiscal year 1992 and $3,914,457 for fiscal 1992 from the school equalization account to fund the portion of school transportation formerly paid from county equalization.

School Foods - School foods funds provide for the state's required maintenance of effort for federal school food reimbursements. Each state must expend up to 30 percent of the federal contribution in the base 1980-1982 school years. Reductions in this required maintenance of effort level are allowed for states whose average income is below the national average. The amount appropriated for each fiscal year is equal to the level appropriated and expended in fiscal 1990.

Gifted and Talented - The Gifted and Talented program was initiated in fiscal 1982 to provide funds to local school districts to begin or maintain programs for gifted and talented students. The budget includes $300,000 general fund each year of the 1993 biennium for this program, an increase of $200,000 per year over the amount appropriated in the 1991 biennium.

Secondary Vocational Education - The budget includes $1,800,000 as a biennial appropriation for the 1993 biennium for secondary vocational education grants to local school districts. This is the same level as the 1991 biennium. These grants fund "excess" costs associated with secondary vocational education programs and are in addition to school foundation funds and district levies. "Excess" costs are those additional costs for vocational education not associated with other programs, such as additional equipment and full year teaching contracts.

Adult Basic Education - Adult Basic Education provides high school level education to persons who wish to receive their high school equivalency degree. The 1989 legislature funded Adult Basic Education at $200,000 in fiscal 1990 and $250,000 in fiscal 1991 from the general fund. The 1993 biennium budget includes $250,000 general fund each year of the 1993 biennium.

Impact Aid - Section 20-9-304, MCA, allows supplementary payments to school districts that provide education to children of employees of public institutions. The appropriation of $5,000 of general fund each year continues the 1991 biennium level.

Traffic Safety Distribution - Language is included that appropriates all revenues received in the state traffic education account for this program to OPI for distribution to public schools.

Federal Discretionary Funds - These funds are received from the U.S. Department of Education for use by local school districts in the manner prescribed by each federal act authorizing the grants. Because OPI has discretion regarding the final grant recipients, these funds must be appropriated by the legislature. All federal grant funds are biennial appropriations. The budget includes: 1) $1,356,000 for the Education of the Handicapped Act; 2) $1,017,200 for the Job Training Partnership Act; 3) $1,198,000 for Adult Basic Education; 4) $140,400 for the McKinney Homeless Act; 5) $230,000 for pre-school handicapped programs; 6) $5,000,000 for secondary vocational education; 7) $25,000 for the English literacy; 8) $45,000 education of the handicapped; and 9) $180,000 for Chapter 1 funds for staff development.

VOCATIONAL-TECHNICAL SYSTEM

	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
Center								
Billings	1,796,356	1,819,095	1,921,946	102,851	1,818,982	1,887,781	68,799	6.99%
Butte	1,631,798	1,721,521	1,811,590	90,069	1,722,766	1,816,933	94,167	11.02%
Gt. Falls	2,039,332	2,199,043	2,209,899	10,856	2,197,770	2,220,035	22,265	8.36%
Helena	2,461,436	2,641,008	2,574,433	(66,575)	2,641,487	2,499,978	(141,509)	4.59%
Missoula	2,712,738	2,835,721	2,720,523	(115,198)	2,834,398	2,623,289	(211,109)	0.29%
Center Totals	$10,641,660	$11,216,388	$11,238,391	$22,003	$11,215,403	$11,048,016	($167,387)	5.61%
Program								
Instruction	6,212,588	6,398,265	6,764,079	365,814	6,398,798	6,540,556	141,758	8.88%
Support	3,097,914	3,277,878	3,113,469	(164,409)	3,277,878	3,138,430	(139,448)	0.50%
Plant O & M	1,331,158	1,540,245	1,360,843	(179,402)	1,538,727	1,369,030	(169,697)	2.23%
Total Costs	$10,641,660	$11,216,388	$11,238,391	$22,003	$11,215,403	$11,048,016	($167,387)	5.61%
Funding								
General Fund	6,591,956	7,693,789	8,356,936	663,147	7,673,371	8,150,086	476,715	26.77%
Tuition	1,770,229	1,914,450	1,914,450	0	1,914,450	1,914,450	0	8.15%
County Millage	863,591	798,675	965,005	166,330	818,108	981,480	163,372	11.74%
Educ. Trust Interest	604,872	0	0	0	0	0	0	-100.00%
Federal Funds	805,544	807,474	0	(807,474)	807,474	0	(807,474)	-100.00%
Other Funds	5,468	2,000	2,000	0	2,000	2,000	0	-63.42%
Total Funds	$10,641,660	$11,216,388	$11,238,391	$22,003	$11,215,403	$11,048,016	($167,387)	5.61%

System Description

Montana's five postsecondary vocational-technical centers in Billings, Butte, Great Falls, Helena, and Missoula collectively serve approximately 2,500 FTE students. As of July 1988, the Board of Regents assumed general administrative and supervisory control over vocational-technical center education. In fiscal year 1990, total costs of operating the centers were assumed by the state and all staff of the five centers became employees of the State of Montana. Prior to this time, staff members were employees of the local school districts.

The primary role of vocational-technical education is to provide individuals preparing to enter, advance, or change their careers with vocational and technical competencies and life skills. Training is offered in a variety of disciplines in the major areas of

agriculture, health, office, marketing, home economics, and trade and technical. The centers award certificates of completion and, with the approval of the Board of Regents, award the Associate of Applied Science degree for appropriate programs.

Language

Following Billings Vocational Technical Center:

"Total audit costs are estimated to be $28,412 for the biennium. Ten percent of these costs must be paid from funds other than those appropriated in items 1 and 1a."

Following Butte Vocational Technical Center:

"Total audit costs are estimated to be $29,990 for the biennium. Ten percent of these costs must be paid from funds other than those appropriated in items 1 and 1a."

Following Great Falls Vocational Technical Center:

"Total audit costs are estimated to be $28,412 for the biennium. Ten percent of these costs must be paid from funds other than those appropriated in items 1 and 1a."

Following Helena Vocational Technical Center:

"Total audit costs are estimated to be $29,990 for the biennium. Ten percent of these costs must be paid from funds other than those appropriated in items 1 and 1a."

Following Missoula Vocational Technical Center:

"Total audit costs are estimated to be $25,254 for the biennium. Ten percent of these costs must be paid from funds other than those appropriated in items 1 and 1a."

Insert following the vocational technical centers:

"The commissioner of higher education may transfer county millage collections among the centers. Total revenue received from the 1.5-mill levy that exceeds $965,005 in fiscal 1992 and $981,480 in fiscal 1993 is appropriated to the office of the Commissioner of Higher Education for distribution to the vocational technical centers and must result in a general fund reversion of a like amount.

It is the intent of the legislature that the Board of Regents have additional appropriation flexibility to operate the vocational technical centers during the 1993 biennium. Therefore, the legislature has approved for each vocational technical center a single appropriation for its general operations. The appropriation for each postsecondary vocational technical center listed above is for

the following programs: instruction, academic support, student services, institutional support, and operation and maintenance of plant. The vocational technical centers are exempt from section 2 of this bill [HB 2] which requires personal services line items.

It is further the intent of the legislature that all fiscal matters pertaining to the postsecondary vocational technical centers during the 1993 biennium and the 1995 biennium budget request be recorded, maintained, and submitted using the college and university business administration (CUBA) fund structure and functional expenditure classifications."

Legislative Intent

It is the intent of the legislature that the Board of Regents study and evaluate appropriate student faculty ratios for the vocational-technical system during the 1993 biennium interim and make a recommendation to the Fifty-third Legislature.

Budget

Vocational-technical center budgeted expenditures are grouped into functional categories, including Instruction, Support (academic, student services, and institutional), and Operation and Maintenance of Plant.

The Instruction category accounts for all activities that are part of an institution's instruction program, including faculty, department operating costs, and equipment.

The Support program includes funds expended to provide administrative and management support to the academic programs, to provide services that enhance the students' emotional and physical well-being, and to support executive level management activities. Examples of support expenditures include libraries, financial aid, counseling and career guidance, fiscal management, and data processing.

The Plant program includes all expenditures necessary to operate and maintain the physical plant, such as building maintenance, custodial services, and utilities.

The vocational-technical system budget increases 5.6 percent from fiscal 1990 to 1992 primarily because fiscal 1991 pay plan increases are continued into the 1993 biennium and the legislature added approximately $397,300 annually to the personal services base in the 1993 biennium to implement a statewide salary matrix. The Instruction program increases 8.9 percent from fiscal 1990 to 1992 due to these same reasons. The budgets for Support and Plant Operation and Maintenance programs increase only slightly because of adjustments made to these programs when the budget was developed and the formula was implemented.

The pay plan increase for fiscal 1992 and fiscal 1993 (House Bill 509) is not included in the table above. In volume I of this report in the "Pay Plan" section is a description of the pay plan increase and a table showing allocations to each agency.

The legislature implemented a new funding formula for the vocational-technical system in the 1993 biennium following two years' use of incremental budgeting. While formula funding had been used for the vocational-technical centers since 1981, the 1989 legislature

discontinued this practice. When the vocational-technical centers became state agencies in 1988, the state assumed the funding responsibility for the centers' general operations. Prior to state assumption, the formula did not include expenditures funded by the local voted mill levy or services provided to the vocational-technical centers by the local high school district. Therefore, the formula's component values did not reflect the total cost of center operations. The 1989 legislature adopted the budget for the 1991 biennium using an incremental approach.

The funding formula implemented by the 1991 legislature for the 1993 biennium includes all costs in the centers' general operating budget funded by the current unrestricted fund. The Instruction and Support program budgets are derived using a workload-related formula and the Plant Operation and Maintenance program is calculated using a "base-plus-inflation" (or incremental) approach. The sections below describe the formula mechanics and budget components in more detail.

Funding Formula Factors

The funding formula uses the following factors to estimate the current unrestricted Instruction and Support budget for the five vocational-technical centers: 1) the average of actual enrollment for the two most recent fiscal years (in this case, fiscal years 1989 and 1990); 2) student/faculty ratios; 3) average faculty salaries; 4) faculty benefit rates; 5) instructional support cost per student; 6) minor equipment cost per student; 7) an equalized capital equipment allocation by center; and 8) support program cost per student. The Instruction and Support programs total 88.0 percent of the current unrestricted budget.

Instruction

The Instruction program budget is developed using formula factors 1 through 7. The Instruction budget is a combination of instructional faculty compensation, instructional support costs, and equipment. Instructional compensation is calculated using student enrollment, student/faculty ratios, and an average faculty salary plus benefits. The student enrollment is divided by the student/faculty ratio to compute the FTE faculty. The FTE faculty is then multiplied by the average faculty salary plus benefits to compute total instructional faculty compensation. The instructional support rate and minor equipment rate per FTE student are multiplied by the student enrollment to determine the instructional support and minor equipment budget. Finally, the capital equipment allocation is added to faculty compensation, instructional support, and minor equipment to determine the total Instruction program budget.

The enrollment used in the formula budgets is based on the average of the previous two years' actual enrollments. Table 1 shows the actual enrollment for fiscal 1989 and 1990 and the average used in the 1993 biennium budget calculations.

The student/faculty ratios, average faculty salary, and faculty benefit rates used to determine the 1993 biennium instructional faculty costs are summarized on Table 1. The student/faculty ratios for fiscal 1992 and 1993 reflect a Regent-recommended operating ratio for a transitional adjustment from the actual fiscal 1990 student/faculty ratios towards the fiscal 1988 system average identified in the Postsecondary Education Study Committee's interim study. The average faculty salaries are based on the Regents' proposal to achieve salary equity with the recently-negotiated system-wide salary matrix. Benefit rates are based on the fiscal 1989 system average.

VOCATIONAL-TECHNICAL SYSTEM

The instructional support and minor equipment costs of the Instruction program are determined by multiplying the budgeted enrollment by a cost per student. The instructional support rate used by the 1991 legislature reflects the system average fiscal 1989 actual expenditures, plus inflation through fiscal 1991. Instructional support costs are non-teaching instruction departmental costs, such as clerical support and operating costs. The minor equipment cost rate used by the legislature reflects the system average fiscal 1989 actual expenditures. The minor equipment costs cover small equipment items costing less than $300. The capital equipment allocation is based on the four-year average capital equipment purchases from fiscal 1986 to 1989, inflated through fiscal 1991. Table 1 shows the instructional support cost factor, minor equipment rate, and capital equipment allocation used in the 1993 biennium budget.

Support

The Support program budget is calculated using student enrollment and a flat rate per FTE student. The legislature used fiscal year 1990 actual support expenditures per student for the fiscal 1992 support rate and provided an adjustment in fiscal 1993 that begins to move the vocational-technical centers to "peer" levels. The regents used a subset of survey respondents from the 12th annual (1989) National Association of College and University Business Officers' survey of public community and junior colleges as "peer" information for the vocational-technical centers. The subset was 86 institutions with less than 1,000.0 FTE. The respondents indicated that, on average, the Support program expenditures equalled 35.0 percent of its total budget. The adjustment to the 1993 support rate allowed by the legislature closes the "gap" between actual per student expenditures and "peer" levels by one-sixth.

VOCATIONAL-TECHNICAL SYSTEM

Table 1
Formula Factors Adopted By 52nd Legislature
Vocational-Technical Center Funding Formula

Formula Factors:	Billings	Butte	Gt. Falls	Helena	Missoula	Total
1. Enrollment[1]						
Fiscal 1989 Actual	450	474	617	601	567	2,709
Fiscal 1990 Actual	426	375	591	518	525	2,435
1993 Biennium Budgeted Enrollment	438	425	604	560	546	2,572
2. Student Faculty Ratios						
Fiscal 1988 System Average	17.96	17.96	17.96	17.96	17.96	
Fiscal 1990 Actual[2]	15.71	17.05	16.84	13.87	13.52	
Fiscal 1992	17.00	17.96	17.00	16.00	15.00	
Fiscal 1993	17.50	17.96	17.50	17.00	16.00	
3. Average Faculty Salary[3]						
Fiscal 1992 & 1993	$28,479	$31,625	$26,819	$32,400	$30,031	$29,871
4. Average Faculty Benefits						
Fiscal 1992 & 1993	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%
5. Instructional Support Rate	$199	$199	$199	$199	$199	$199
6. Minor Equipment Rate	$56	$56	$56	$56	$56	$56
7. Capital Equipment Allocation	$84,038	$84,038	$84,038	$84,038	$84,038	$84,038
8. Support Program Rate						
Fiscal 1992	$1,309	$1,075	$845	$1,165	$1,451	
Fiscal 1993	$1,344	$1,149	$957	$1,224	$1,462	

[1]Credit Hour FTE
[2]Source: Commissioner of Higher Education
[3]Does not include pay plan

Incremental Budgeting

The Plant Operations and Maintenance program is budgeted using the incremental method used for most other state agencies. Actual fiscal 1990 expenditures within the legislative appropriation have been continued into the 1993 biennium with adjustments reflecting one-time costs, inflation adjustments, and pay plan increases through fiscal 1991.

Expenditure Summary

Table 2 shows the budgeted expenditures by budget program for each campus both years of the 1993 biennium.

Lump Sum Funding

Although program expenditures are identified on Table 2, the legislature appropriated funds to each vocational-technical center in a "lump sum" amount, rather than by program (which is the current practice). In addition, the vocational-technical centers are exempt from the personal services line item requirement in the 1993 biennium. These actions were taken by the legislature to provide the Board of Regents additional management flexibility. The legislature expects the Board of Regents to continue using the CUBA fund structure and functional expenditure classifications in all fiscal matters pertaining to the postsecondary vocational-technical centers in the 1993 biennium.

Contingency Appropriation

The legislature approved a $150,000 biennial general fund appropriation for use at the vocational-technical centers when implementing the formula and system-wide salary matrix in the 1993 biennium. This appropriation is included in the Commissioner of Higher Education, Vo-tech Center Administration program budget and is not included in the tables for the vo-tech centers. It is noted here so the reader can be aware of all state appropriated funds available for the general operations of the vocational-technical centers in the 1993 biennium.

Funding

The vocational-technical centers are funded from the state general fund, a mandatory 1.5 mill county levy, tuition and fees, and other revenue. In fiscal 1990, the vocational-technical centers received $604,872 of education trust interest, which resulted in a general fund reversion. In addition, the vocational-technical centers received $76,590 more county mill levy collections than appropriated, which also caused a general fund reversion. These reversions were consistent with the requirements of the general appropriations act (House Bill 100).

Federal Carl Perkins vocational education funds were included in the 1991 biennium budget at $807,474 annually. The Legislative Auditor recommended in a 1990 audit report that due to restrictions placed on the expenditure of these funds by the federal law, the funds, with the exception of indirect costs, should be deposited to the current restricted fund, rather than the current unrestricted fund (which was the current practice in the 1991 biennium). The legislature removed the Carl D. Perkins funds from the current

unrestricted operating budget and replaced $570,000 annually with general fund during the 1993 biennium. The new federal act expressly states that the state cannot consider any federal Perkins allocation when determining state support of public educational institutions. The Carl Perkins vocational education funds will be available to secondary and postsecondary education agencies under the reauthorized federal act partly on a formula allocation basis and partly on a competitive grant basis.

Tuition and fees are included in the 1993 biennium budget at $1,914,450 annually, which reflects the Executive Budget recommendation. In addition, the tuition estimate assumes no tuition rate increase. The Board of Regents establish tuition and fee rates for the vocational-technical centers. At the May 1991 Board of Regents meeting, the Commissioner of Higher Education recommended annual resident tuition and fees for a full-time student be increased approximately 5.8 percent from fiscal 1991 to 1992 and an additional 4.3 percent in fiscal 1993. Annual tuition and fees for non-resident full-time students were proposed to receive similar increases. The Board of Regents will make its final decision at its June 1991 meeting. If fee increases are approved, the vocational technical centers will need to obtain appropriation authority to spend the additional revenue (approximately $122,300 in fiscal 1992 and $216,600 in fiscal 1993) through a properly certified and approved budget amendment.

A mandatory 1.5 mill county levy also funds general operations at the vocational-technical centers. The 1993 biennium budget includes $1,946,485 from this revenue source.

General fund provides the remainder of funding for vocational-technical center general operations. General fund increases 26.8 percent from fiscal 1990 to 1992 due to: 1) removing Carl Perkins funds from the current unrestricted budget; 2) education trust interest no longer being available as the trust corpus has been spent; 3) the overall expenditure increase from fiscal 1990 to 1992; and 4) offsetting increases in tuition and county millage. Table 2 summarizes the revenue sources by campus included in the 1993 biennium budget.

VOCATIONAL-TECHNICAL SYSTEM

Table 2
Summary of Budgeted Expenditures and Funding Sources
1993 Biennium

Fiscal Year 1992	Billings	Butte	Gt. Falls	Helena	Missoula	System	% of Total
Instruction	$1,090,907	$1,105,418	$1,400,551	$1,610,318	$1,556,885	$6,764,079	60.19%
Support	$599,018	$484,053	$535,899	$679,405	$815,094	3,113,469	27.70%
Physical Plant	232,021	222,119	273,449	284,710	348,544	1,360,843	12.11%
Total Costs	$1,921,946	$1,811,590	$2,209,899	$2,574,433	$2,720,523	$11,238,391	100.00%
Funding							
General Fund	$1,239,560	$1,459,612	$1,578,514	$2,025,344	$2,053,906	8,356,936	74.36%
Tuition	301,623	264,433	476,609	425,034	446,751	1,914,450	17.03%
County Millage	379,263	87,545	154,576	124,055	219,566	965,005	8.59%
Federal Funds	0	0	0	0	0	0	0.00%
Other Funds	1,500	0	200	0	300	2,000	0.02%
Total Funds	$1,921,946	$1,811,590	$2,209,899	$2,574,433	$2,720,523	$11,238,391	100.00%
Fiscal Year 1993							
Instruction	$1,065,330	$1,105,418	$1,367,337	$1,528,937	$1,473,534	$6,540,556	59.20%
Support	$588,571	$488,331	$578,019	$685,237	$798,272	3,138,430	28.41%
Physical Plant	233,880	223,184	274,679	285,804	351,483	1,369,030	12.39%
Total Costs	$1,887,781	$1,816,933	$2,220,035	$2,499,978	$2,623,289	$11,048,016	100.00%
Funding							
General Fund	$1,198,920	$1,463,460	$1,586,011	$1,948,771	$1,952,924	8,150,086	73.77%
Tuition	301,623	264,433	476,609	425,034	446,751	1,914,450	17.33%
County Millage	385,738	89,040	157,215	126,173	223,314	981,480	8.88%
Federal Funds	0	0	0	0	0	0	0.00%
Other Funds	1,500	0	200	0	300	2,000	0.02%
Total Funds	$1,887,781	$1,816,933	$2,220,035	$2,499,978	$2,623,289	$11,048,016	100.00%

BOARD OF PUBLIC EDUCATION

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	4.00	4.00	4.00	.00	4.00	4.00	.00	.00
Personal Services	123,382	126,891	124,737	2,154-	126,870	124,718	2,152-	1.10%
Operating Expenses	60,409	68,126	66,042	2,084-	68,174	60,310	7,864-	9.32%
Equipment	0	0	850	850	0	500	500	.00%
Total Costs	$183,791	$195,017	$191,629	$3,388-	$195,044	$185,528	$9,516-	4.26%
Fund Sources								
General Fund	119,016	122,301	118,702	3,599-	122,130	114,001	8,129-	-.26%
State Revenue Fund	64,775	72,716	72,927	211	72,914	71,527	1,387-	12.59%
Total Funds	$183,791	$195,017	$191,629	$3,388-	$195,044	$185,528	$9,516-	4.26%

Agency Description

The Board of Public Education, created by Article X, Section 9 of the 1972 Montana Constitution, consists of seven voting members appointed by the Governor and confirmed by the Senate. The board is charged with exercising "general supervision over the public school system." The board is also designated by statute as the governing board of the Montana School for the Deaf and Blind. Together with the Board of Regents, the board does the general planning, coordinating, and evaluation of the state's educational system (Title 20, Chapter 2, MCA). The board accredits all schools, certifies all teachers, adopts policies and standards for various educational programs, and orders the distribution of state equalization aid. The board's accreditation standards are the basis for eligibility for local school districts to receive state funds. Also, the board hears cases regarding denial, suspension, and revocation of teacher certificates and reviews teacher education programs leading to interstate reciprocity. The board is assisted by an administrative staff that oversees board operations and provides technical assistance and liaison.

Budget

The pay plan increase for fiscal 1992 and fiscal 1993 (HB 509) is not included in the table above or in the program tables. In volume I of this report in the "Pay Plan" section is a description of the pay plan increase and a table showing allocations to each agency.

No vacancy savings was applied to the Board of Public Education for the 1993 biennium. Personal services increase by 1.1 percent over fiscal 1990 due to the continuation of the 1991 pay plan continued into the 1993 biennium and vacancy savings which occurred in 1990. These increases in personal services are offset by $4,000 in termination pay incurred in fiscal 1990.

BOARD OF PUBLIC EDUCATION

Operating expenses increase 9.3 percent from fiscal 1990 to fiscal 1992 due to: 1) a $3,252 biennial appropriation added in the budget modification for additional board hearings; 2) $800 for increased consulting services; 3) $1,250 for increased network fees; 4) $2,260 for increased audit costs; and 5) inflationary adjustments of $1,485. Offsetting reductions total $3,200 in other expenses.

Equipment includes $850 in fiscal 1992 and $500 in fiscal 1993 for office equipment.

Budget Modifications

	Executive				Legislature			
Modification Type	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93
1) Additional Board Hearings	0.0	0.0	$0	$6,504	0.0	0.0	$0	$ 3,252

A description of this modification can be found in the program narrative.

Funding

Funding for administration of the Board of Public Education is from the general fund. The teacher certification program is funded by fees paid by teachers for license certification or recertification.

Other Legislation

HB 431-Teacher certification fee increase - The legislature raised the fees for annual teacher certification from $5 to $6. In addition, this legislation also changed the present law which requires that $2 of the fee be deposited into the general fund. Instead of going to the general fund, HB 431 requires the $2 plus the $1 fee increase, to be deposited into a state special account, from which it is statutorily appropriated to the Certification Standards and Advisory Council for special projects and research studies. This statutory appropriation is estimated to be approximately $88,000 per year.

ADMINISTRATION

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	2.00	2.00	2.00	.00	2.00	2.00	.00	.00
Personal Services	78,831	80,154	78,000	2,154-	79,937	77,785	2,152-	-1.06%
Operating Expenses	40,185	42,147	40,452	1,695-	42,193	35,966	6,227-	.66%
Equipment	0	0	250	250	0	250	250	.00%
Total Costs	$119,016	$122,301	$118,702	$3,599-	$122,130	$114,001	$8,129-	-.26%
Fund Sources								
General Fund	119,016	122,301	118,702	3,599-	122,130	114,001	8,129-	-.26%
Total Funds	$119,016	$122,301	$118,702	$3,599-	$122,130	$114,001	$8,129-	-.26%

Program Description

The staff of the Administration program provide administrative, research, clerical functions, and management of business affairs for all programs under the purview of the Board of Public Education.

Budget

Personal service decline slightly from fiscal 1990 due to: 1) personal services expenditures in fiscal 1990 included over $4,000 termination payment for the prior executive secretary; and 2) the accountant position has been filled at a lower step level than the prior occupant of that position.

Operating expenses increase 0.7 percent in fiscal 1992 due to: 1) audit costs increase by $1,000; 2) a network fee increase by $850; 3) additional board hearings in fiscal 1992 of $3,252 as a biennial appropriation; and 4) inflationary adjustments of $785. Offsetting reductions include reduced contracted services of $2,200 and other services of $3,200.

Equipment includes $250 each year for the purchase of office equipment.

ADMINISTRATION

Budget Modification

Modification Type	Executive FTE FY92	Executive FTE FY93	Executive General Fund 92-93	Executive Total 92-93	Legislature FTE FY92	Legislature FTE FY93	Legislature General Fund 92-93	Legislature Total 92-93
1) Additional Board Hearings	0.0	0.0	$0	$6,504	0.0	0.0	$0	$3,252

House Bill 28 Board Hearings - School districts must comply with generally accepted accounting principles (GAAP) and meet accreditation standards in order to receive state funding. The legislature approved $3,252 general fund as a line item biennial appropriation for additional board meetings to hear an anticipated increase in contested cases involving state funding withheld from districts.

Funding

Funding for the Board of Education operations program is 100 percent general fund.

ADVISORY COUNCIL

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	2.00	2.00	2.00	.00	2.00	2.00	.00	.00
Personal Services	44,551	46,737	46,737	0	46,933	46,933	0	4.91%
Operating Expenses	20,224	25,979	25,590	389-	25,981	24,344	1,637-	26.53%
Equipment	0	0	600	600	0	250	250	.00%
Total Costs	$64,775	$72,716	$72,927	$211	$72,914	$71,527	$1,387-	12.59%
Fund Sources								
State Revenue Fund	64,775	72,716	72,927	211	72,914	71,527	1,387-	12.59%
Total Funds	$64,775	$72,716	$72,927	$211	$72,914	$71,527	$1,387-	12.59%

Program Description

The Certification Standards and Practices Advisory Council to the Board of Public Education was created by the Fiftieth Legislature to study and make recommendations to the board in the following areas: teacher, administrator, and specialist certification standards; the status and efficacy of approved teacher education programs in Montana; the feasibility of establishing standards of professional practices and ethical conduct; and policies relating to the denial, suspension, and revocation of teaching certification and the appeals process. The seven-member council is to submit an annual report concerning its recommendations to the board. The board staff provides administrative, research, and clerical duties to the council.

Budget

The 4.9 percent increase in personal services reflects the fiscal 1991 pay plan continued in the 1993 biennium and vacancy savings that occurred in fiscal 1990, which is not budgeted in fiscal 1992.

Operations increase from fiscal 1990 to 1992 due to: 1) $3,000 added in contracted services for consultant assistance in analyzing complex certification issues; 2) audit expenses of $1,260, which were previously budgeted in the Administration program; 3) network fees are increased $400; and 4) inflationary adjustments of $700.

Equipment includes $600 in fiscal 1992 and $250 in fiscal 1993 for purchase of office equipment.

ADVISORY COUNCIL

Funding

Funding for the advisory council is derived from fees collected for the issuance or renewal of teacher or specialist certification. Section 20-4-109, MCA, provides that the total fee, which is collected by the Office of Public Instruction, may not exceed $6 for each year in which the certificate is valid. Of this amount, $3 is appropriated in HB 2 for the administration of teacher certification. The remaining $3 is statutorily appropriated to the Advisory Council for use on special projects and research studies.

COMMISSIONER OF HIGHER EDUCATION

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	60.15	65.45	67.45	2.00	64.95	66.95	2.00	7.30
Personal Services	1,478,065	1,969,218	1,969,222	4	1,952,242	1,952,817	575	33.23%
Operating Expenses	1,579,792	2,131,670	2,346,676	215,006	2,135,345	2,288,338	152,993	48.54%
Equipment	84,567	137,816	147,100	9,284	136,716	146,000	9,284	73.94%
Local Assistance	3,269,011	3,451,755	3,887,356	435,601	3,455,255	4,290,246	834,991	18.92%
Grants	5,786,883	7,410,881	7,344,439	66,442-	7,427,432	7,406,590	20,842-	26.92%
Benefits and Claims	9,812,979	12,560,000	12,689,935	129,935	15,060,000	14,964,223	95,777-	29.32%
Transfers	2,597,502	124,650,724	3,278,447	121,372,277-	124,315,769	3,127,953	121,187,816-	26.22%
Debt Service	730,905	706,255	706,255	0	698,153	698,153	0	-3.37%
Total Costs	$25,339,704	$153,018,319	$32,369,430	$120,648,889-	$155,180,912	$34,874,320	$120,306,592-	27.74%
Fund Sources								
General Fund	9,105,483	119,027,505	10,894,523	108,132,982-	118,444,507	11,139,398	107,305,109-	19.65%
State Revenue Fund	237,705	12,485,383	0	12,485,383-	12,732,504	0	12,732,504-	-100.00%
Federal Revenue Fund	5,644,348	7,958,419	7,574,975	383,444-	7,957,085	7,550,465	406,620-	34.20%
Proprietary Fund	10,352,168	13,547,012	13,899,932	352,920	16,046,816	16,184,457	137,641	34.27%
Total Funds	$25,339,704	$153,018,319	$32,369,430	$120,648,889-	$155,180,912	$34,874,320	$120,306,592-	27.74%

Agency Description

The Commissioner of Higher Education is the chief administrative officer of the Montana University System. Article X, Section 9 of the Montana Constitution provides that the Board of Regents appoint the commissioner and prescribe the powers and duties of the office. The commissioner and agency personnel are responsible for providing leadership, technical assistance, and staff support to the Board of Regents and postsecondary education agencies to enable coordination, consistent regulations and management, evaluation of policies and programs, and long-range planning. The agency provides budgetary planning and funds distribution for the postsecondary education agencies under its control, as well as administration for both state and federal student assistance programs.

Budget

The Commissioner's Office agency budget increases 27.7 percent from fiscal 1990 to 1992 due primarily to increased health claims costs, increased assistance to the community colleges, and nine budget modifications adding $940,850 and 8.3 FTE in fiscal 1992 and $777,567 and 7.8 FTE in fiscal 1993.

COMMISSIONER OF HIGHER EDUCATION

The legislature implemented a 4 percent across-the-board reduction in funding for the total agency personal services in fiscal 1992 and 1993. The total personal services reduction was $78,871 in fiscal 1992 and $78,193 in fiscal 1993. One and one-half positions were removed from the budget because they were vacant all or a major portion of fiscal 1990 and 1991 and a .50 FTE financial assistant was added each year due to increased workload. Personal services increase 33.2 percent from fiscal 1990 to 1992 due to the net of vacancy savings experienced in fiscal 1990 less the 4 percent reduction in fiscal 1992, the fiscal 1991 pay plan continuation in fiscal 1992 and 1993, the budget modifications, position classification upgrades approved for the Guaranteed Student Loan program, and the half-time financial assistant position added in the 1993 biennium.

The pay plan increase for fiscal 1992 and fiscal 1993 (House Bill 509) is not included in the table above or in the program tables. In volume I of this report in the "Pay Plan" section is a description of the pay plan increase and a table showing allocations to each agency.

While operating expenses show a significant increase in the table, this is partly due to $587,000 of administrative expense formerly recorded as benefits being reclassified as operating expenses in the 1993 biennium. In addition, the budget modifications add approximately $282,000 annually to operating expenses. The equipment budget increases 74.0 percent because the budget modifications add $116,100 in fiscal 1992 and $115,000 in fiscal 1993.

Local assistance is the state support for the community colleges and the Western Interstate Commission for Higher Education (WICHE) administrative fee. Community college support increases because of: 1) higher enrollment in fiscal 1989 and 1990; 2) increasing the cost factor from $3,907 in fiscal years 1990 and 1991 to $4,031 in fiscal 1992 and $4,163 in fiscal 1993; and 3) increasing the state share from 47.0 percent in fiscal 1990 and 1991 to 51.0 percent in fiscal 1992 and 55.0 percent in fiscal 1993. The WICHE administrative fee increased 9.7 percent in the 1993 biennium.

Grants and transfers include the interstate student assistance programs, federal student aid programs, state work study, federal vocational education grants for postsecondary and secondary institutions, other federal grants, and the vo-tech center contingency. Benefits and claims include estimated insurance claims costs for faculty and staff covered by the Montana State University Group Insurance program in fiscal 1992 and 1993. Debt service includes the bond payments necessary to retire the debt on the vocational-technical center buildings acquired from the local high school districts in Billings, Butte, and Great Falls.

COMMISSIONER OF HIGHER EDUCATION

Budget Modifications

	Executive				Legislature			
Modification Type	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93
1) Regents Emp. Reporting System	1.00	0.50	$230,182	$230,182	1.00	0.50	$228,477	$228,477
2) Increased SEOG Match							127,180	$127,180
3) Increased Perkins Loan Match							72,540	$72,540
4) State Work Study-Minimum Wage							210,406	$210,406
5) Group Insurance Add'l Costs					1.00	1.00		$280,050
6) Talent Search Add'l Fed. Funds	1.30	1.30		$100,000	1.30	1.30		$97,585
7) GSL Additional Workload	3.00	3.00		$462,076	3.00	3.00		$465,385
8) Supplemental Pre-Claims Unit					2.00	2.00		$86,794
9) Vo-Tech Center Contingency	____	____	_____	_____	____	____	150,000	$150,000
Total	5.30	4.80	$230,182	$792,258	8.30	7.80	$788,603	$1,718,417

Funding

General fund supports the Administration program, the Student Assistance program, the community colleges, one-half of the administrative expense in the Carl D. Perkins Administration program, the Board of Regents, the vocational-technical building bond payments, and the Vo-Tech Administration program. General fund increases 19.7 percent largely because of the budget modifications in the Administration, Student Assistance, and Vo-Tech Center Administration programs and the increase provided to the community colleges.

State special revenue in fiscal 1990, which was interest earnings from the education trust fund, was used in the student assistance program. Since the principal of the trust has been appropriated, there will be no further interest earnings.

Federal revenue includes Carl Perkins Vocational Education funds, student aid funds, administrative allowance payments and other state grants under the Higher Education Act of 1965 as amended, and grants from the Dwight D. Eisenhower Math & Science Education Act of 1988. Overall, these funds increase 34.2 percent.

Proprietary funds are the premium payments and interest earnings received from the group insurance program.

COMMISSIONER OF HIGHER EDUCATION

Other Legislation

Bill No./Description	Fiscal 1992 FTE	Fiscal 1992 General Fund	Fiscal 1992 Total Funds	Fiscal 1993 FTE	Fiscal 1993 General Fund	Fiscal 1993 Total Funds
HB 125 - Minority Achievement*		$175,648	$175,648			
HB 30 - Telecommunications**		0	29,500			$29,500
HB 974 - Rural Physician**		0	0			6,292
Total	0.00	$175,648	$205,148	0.00	$0	$35,792

*Biennial Appropriation
**Estimated Amounts

HB 125 - Minority Achievement - The legislature approved a $175,648 biennial general fund appropriation to support the staff and operation of the director of American Indian/minority achievement in the Office of the Commissioner of Higher Education. One purpose of the legislation is to continue the data collection and analysis begun by the Montana "TRACKS" project, a project supported by a private grant in the 1991 biennium.

HB 30 - Telecommunications - This bill requires the university system, vocational technical centers, and community colleges to collect an amount not exceeding $1 for each enrolled full-time equivalent student from appropriate discretionary funds and deposit those funds with the Office of the Commissioner of Higher Education to be used to pay the Department of Administration for the commissioner's share of telecommunications network costs.

HB 974 - Rural Physician Incentive Program - The legislature established this program to encourage physicians to locate in rural Montana areas. The program provides an incentive to physicians locating in rural Montana by paying a portion of the physician's educational debt, up to $30,000 over a 4-year period. This program is funded by an additional assessment to all students participating in the WICHE or WAMI medical student assistance programs beginning with the new students that start the WICHE or WAMI medical student assistance programs in fiscal 1993. House Bill 974 authorizes the Office of the Commissioner of Higher Education to use up to 10 percent of the annual fees for administrative purposes. The amount included in the above table is the estimated administrative cost for fiscal 1993.

ADMINISTRATION PROGRAM

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	13.55	14.55	15.05	.50	14.05	14.55	.50	1.50
Personal Services	570,341	644,612	639,027	5,585-	630,565	625,543	5,022-	12.04%
Operating Expenses	248,640	384,537	360,216	24,321-	387,006	328,960	58,046-	44.87%
Equipment	8,686	2,729	7,100	4,371	1,629	6,000	4,371	-18.26%
Total Costs	$827,667	$1,031,878	$1,006,343	$25,535-	$1,019,200	$960,503	$58,697-	21.59%
Fund Sources								
General Fund	827,667	1,031,878	1,006,343	25,535-	1,019,200	960,503	58,697-	21.59%
Total Funds	$827,667	$1,031,878	$1,006,343	$25,535-	$1,019,200	$960,503	$58,697-	21.59%

Program Description

The Administration Program provides the funding for the constitutionally mandated position of Commissioner of Higher Education as the chief administrative officer of the Montana University System and chief administrative officer for postsecondary vocational-technical education in Montana. The administration program also includes personnel to assist the commissioner in securing implementation of Board of Regents policy and establishing administrative regulations in the following major functional areas: general administration of the university system and vocational-technical centers; academic, financial, and legal administration; labor relations and personnel administration; and student assistance administration.

Budget

The Administration program budget increases 21.6 percent from fiscal 1990 to fiscal 1992 due to increased personal services costs and operating expenses. Personal services increase 1.50 FTE and 12.0 percent from fiscal 1990 to 1992 for the following reasons: 1) the 1991 biennium pay plan is continued into the 1993 biennium; 2) approximately $13,800 of salary increases for exempt staff that exceeded the 1991 biennium pay plan increases are included in the 1993 biennium personal services budget (of the 13.55 positions included in this program in fiscal 1990, 8.7 are on Board of Regent's contract and are exempt positions); 3) the additional staff added by the legislature (a 1.0 FTE in fiscal 92 and .50 FTE in fiscal 93 for the Regents' Employee Reporting System and a 0.50 FTE additional financial assistant) increase the personal services budget approximately $48,000 in fiscal 1992 and $35,000 in fiscal 1993; and 4) four percent personal services reductions implemented for this agency offset the approved increases by $25,785 in fiscal 1992 and $25,222 in fiscal 1993.

ADMINISTRATION PROGRAM

Operating expenses increase 44.9 percent due primarily to the budget modification, which adds $93,228 annually to the operating expense base. Other base adjustments include increased audit fees (from $16,202 paid in fiscal 1990 to $20,519 budgeted in fiscal 1992) and a temporary $14,850 rent increase for fiscal 1992 and $3,713 for fiscal 1993. The Commissioner's office expects to move into the MHESAC building October 1, 1992, with annual rent payments not to exceed $84,150, or the amount paid in fiscal 1990. The budget also includes $6,975 in fiscal 1992 and $7,394 in fiscal 1993 for liability insurance premiums paid to the Tort Claims Division, Department of Administration.

The equipment budget is for computer purchase and replacement.

Budget Modifications

	Executive				Legislature			
Modification Type	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93
1) Regents' Emp. Reporting System	1.00	0.50	$230,182	$230,182	1.00	0.50	$228,477	$228,477

1) Regents' Employee Reporting System - The 1989 legislature enacted House Bill 26 requiring the development of a centralized personnel reporting system for the university system and vocational-technical centers. Implementation of the system is expected by July 1, 1991. The budget includes $228,477 general fund for the 1993 biennium for system administration, utilization charges, and equipment. The modification includes 1.0 FTE in fiscal 1992 and 0.50 FTE in fiscal 1993.

STUDENT ASSISTANCE PROGRAM

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	.00	.00	.00	.00	.00	.00	.00	.00
Local Assistance	65,100	71,500	71,500	0	75,000	75,000	0	9.83%
Grants	4,657,604	4,951,439	5,202,174	250,735	4,967,990	5,264,325	296,335	11.69%
Total Costs	$4,722,704	$5,022,939	$5,273,674	$250,735	$5,042,990	$5,339,325	$296,335	11.67%
Fund Sources								
General Fund	4,229,745	4,720,211	4,993,674	273,463	4,740,262	5,059,325	319,063	18.06%
State Revenue Fund	237,705	0	0	0	0	0	0	-100.00%
Federal Revenue Fund	255,254	302,728	280,000	22,728-	302,728	280,000	22,728-	9.69%
Total Funds	$4,722,704	$5,022,939	$5,273,674	$250,735	$5,042,990	$5,339,325	$296,335	11.67%

Program Description

The Student Assistance Program consists of: the Western Interstate Commission on Higher Education (WICHE) Student Exchange Program which provides education opportunities for Montana students in the fields of medicine, dentistry, veterinary medicine, optometry, public health, occupational therapy, and podiatry; the Washington, Alaska, Montana, Idaho (WAMI) program - a cooperative agreement for medical education; the cooperative dental education agreement with the University of Minnesota; the State Student Incentive Grant (SSIG) program which provides grant funds to needy students - 50 percent from federal funds and 50 percent matching state funds; the Paul Douglas Teacher Scholarship Program, a federally funded scholarship program awarded to full-time students pursuing teaching careers; the Perkins Loan fund (formerly NDSL) which provides funds to students by the postsecondary institutions matching a basic amount appropriated by the legislature; the state matching dollars for the federal Supplemental Educational Opportunity Grant (SEOG); and the state's share of Montana's Workstudy Program (Title 20, Chapter 25, Part 7, MCA).

Language

"[Student Assistance Program] includes $68,400 general fund in fiscal 1992 and $114,000 general fund in fiscal 1993 for three new medical student WICHE slots in fiscal 1992 and three continuing medical student WICHE slots and two new medical student WICHE slots in fiscal 1993. If House Bill No. 1007 is enacted, the general fund appropriation in [item 2] must be reduced by $68,400 in fiscal 1992 and $114,000 in fiscal 1993."

STUDENT ASSISTANCE PROGRAM

Budget

The 1993 biennium budget increases 11.7 percent due to cost increases in the interstate student assistance programs, the approved budget modifications addressing federally-mandated state match increases in Supplemental Educational Opportunity Grants (SEOG) and Perkins loan funds, and increased state work study funds to cover minimum wage increases. Table 1 details the interstate student assistance and student aid budgets contained in this program.

STUDENT ASSISTANCE PROGRAM

Table 1
Student Assistance Program Budget Detail
1993 Biennium

Program	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
Interstate Student Assistance Programs								
WICHE DUES	$65,100	$71,500	$71,500	$0	$75,000	$75,000	$0	9.83%
WICHE ASSISTANCE								
Medicine		$456,000	$524,400	($68,400)	$387,600	$501,600	($114,000)	
Osteopathic Medicine		44,400	44,400	$0	46,000	46,000	$0	
Dentistry		124,000	124,000	$0	129,000	129,000	$0	
Veterinary Medicine		754,400	754,400	$0	736,000	736,000	$0	
Optometry		108,800	108,800	$0	92,300	92,300	$0	
Occupational Therapy		28,500	28,500	$0	17,234	17,234	$0	
Public Health		13,199	13,199	$0	14,666	14,666	$0	
Podiatry		22,800	22,800	$0	31,600	31,600	$0	
WICHE Total	$1,636,232	$1,552,099	$1,620,499	($68,400)	$1,454,400	$1,568,400	($114,000)	-0.96%
MINNESOTA RURAL DENTISTRY	$93,600	$86,800	$86,800	$0	$77,400	$77,400	$0	-7.26%
WAMI	1,966,854	2,244,169	2,244,169	$0	2,367,819	2,367,819	$0	14.10%
Total Student Assistance	$3,761,786	$3,954,568	$4,022,968	($68,400)	$3,974,619	$4,088,619	($114,000)	6.94%
Student Aid Programs								
SSIG	$415,195	$440,000	$440,000	$0	$440,000	$440,000	$0	5.97%
Perkins Loan Program	55,000	55,000	91,270	($36,270)	55,000	91,270	($36,270)	65.95%
Paul Douglas Teacher Sch.	58,458	82,728	60,000	$22,728	82,728	60,000	$22,728	2.64%
State Work Study Program	386,147	391,587	496,790	($105,203)	391,587	496,790	($105,203)	28.65%
SEOG	46,118	99,056	162,646	($63,590)	99,056	162,646	($63,590)	252.67%
Total Student Aid	$960,918	$1,068,371	$1,250,706	($182,335)	$1,068,371	$1,250,706	($182,335)	30.16%
Total Program Costs	$4,722,704	$5,022,939	$5,273,674	($250,735)	$5,042,990	$5,339,325	($296,335)	11.67%
Funding								
General Fund	$4,229,745	$4,720,211	$4,993,674	($273,463)	$4,740,262	$5,059,325	($319,063)	18.06%
State Revenue Fund	237,705	0	0	0	0	0	0	-100.00%
Federal Revenue Fund	255,254	302,728	280,000	22,728	302,728	280,000	22,728	9.69%
Total Funds	$4,722,704	$5,022,939	$5,273,674	($250,735)	$5,042,990	$5,339,325	($296,335)	11.67%

STUDENT ASSISTANCE PROGRAM

Interstate Student Assistance Programs

The Interstate Student Assistance program budget increases 6.9 percent between fiscal years 1990 and 1992 due to cost increases rather than additional services. The legislature funded this program at a level which will reduce the number of "new student" slots by 8 and 2 in fiscal years 1992 and 1993, respectively, compared to the fiscal 1991 service level. The number of "continuing student" slots are estimated to increase by 5 in fiscal 1992 over fiscal 1991 service levels and decrease by 8 in fiscal 1993 over fiscal 1991 service levels, reflecting the 8 "new student" slot reduction in fiscal 1992. Table 2 shows the number of new and continuing student slots for fiscal years 1991 appropriated and the 1993 biennium. As table 2 shows, the number of new student slots are reduced by 8 between fiscal year 1991 and 1992 and the number of continuing student slots increase 5 between fiscal 1991 and 1992, for a net service reduction of 3 slots.

Table 2
Student Assistance Program
New and Continuing Student Slots
Actual Fiscal 1990 and Budgeted 1992 and 1993

	Appropriated Fiscal 1991		Executive Fiscal 1992		Legislature Fiscal 1992		Difference Fiscal 1992		Executive Fiscal 1993		Legislature Fiscal 1993		Difference Fiscal 1993		Change 1991-92	
	- Students -		- Students -		- Students -		- Students -		- Students -		- Students -		- Students -		- Students -	
Program	Cont.	New	Cont.	New	Cont.	New	Cont.	New	Cont.	New	Cont.	New	Cont.	New	Cont.	New
WICHE																
Medicine	17	5	20	0	20	3	0	3	14	3	17	5	3	2	3	(2)
Osteopathic Med.	3	2	3	1	3	1	0	0	2	2	2	2	0	0	0	(1)
Dentistry	9	2	9	1	9	1	0	0	8	2	8	2	0	0	0	(1)
Veterinary Med.	31	10	32	9	32	9	0	0	31	9	31	9	0	0	1	(1)
Optometry	13	3	14	2	14	2	0	0	11	2	11	2	0	0	1	(1)
Occup. Therapy	4	1	4	1	4	1	0	0	2	1	2	1	0	0	0	0
Public Health	3	1	3	1	3	1	0	0	3	1	3	1	0	0	0	0
Podiatry	3	1	3	0	3	0	0	0	3	1	3	1	0	0	0	(1)
Subtotal	83	25	88	15	88	18	0	3	74	21	77	23	3	2	5	(7)
MN Rural Dentistry	6	2	6	1	6	1	0	0	4	2	4	2	0	0	0	(1)
WAMI Medicine	60	20	60	20	60	20	0	0	60	20	60	20	0	0	0	0
Total	149	47	154	36	154	39	0	3	138	43	141	45	3	2	5	(8)

STUDENT ASSISTANCE PROGRAM

Student Aid Programs

The Student Aid program budget increases 30.2 percent between fiscal years 1990 and 1992 due to the approved budget modifications which are discussed in the following section. The state-funded Work Study program assists students at the university units and the vocational-technical centers.

Budget Modifications

	Executive				Legislature			
Modification Type	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93
1) Increased SEOG Match							$127,180	$127,180
2) Increased Perkins Loan Match							72,540	72,540
3) State Work Study-Minimum Wage							210,406	210,406
Total	0.0	0.0	$0	$0	0.00	0.00	$410,126	$410,126

1) Increased SEOG match - The state match required for the federal Supplemental Educational Opportunity Grant funds has increased from 5.0 percent in fiscal 1990 to 15.0 percent in fiscal years 1992 and 1993. The additional general fund cost is $63,590 each year of the 1993 biennium.

2) Increased Perkins Loan match - The state match required for the federal Perkins Loan funds is $1 of state funds for each $9 of federal funds. The amount of Perkins Loan funds currently allocated to the campuses exceeds the matching capacity of state funds appropriated for this purpose. The budget modification includes an additional $36,270 annually in the 1993 biennium to provide full state match capability to the anticipated level of Perkins Loan funds in the 1993 biennium.

3) State Work Study - Minimum Wage Increase - An additional $105,203 general fund was approved for each year of the 1993 biennium due to the minimum wage increase, which is scheduled to go into effect April 1, 1991. The modification is intended to provide student work study funds to approximately the same number of students in the 1993 biennium as received the benefits in the 1991 biennium.

Funding

The Student Assistance program is funded from general fund and federal funds. Interest from the education trust formerly allocated to the Board of Regents is no longer available, since the trust principal has been expended. Consistent with the intent of House Bill 100, $237,705 of general fund was reverted when the education trust fund interest became available in fiscal 1990. The state

STUDENT ASSISTANCE PROGRAM

general fund supports all of the WICHE, WAMI, and Minnesota Rural Dentistry programs, as well as the state work study. General fund contributes the state match for the SSIG, Perkins Loan, and SEOG programs. Federal funds support the SSIG and the Paul Douglas Teacher Scholarship programs.

DDE MATHEMATICS & SCIENCE EDUCATION ACT

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	.00	.00	.00	.00	.00	.00	.00	.00
Operating Expenses	1	1,581	1,500	81-	1,581	1,500	81-	9900.00%
Grants	161,561	159,980	248,342	88,362	159,980	248,342	88,362	53.71%
Total Costs	$161,562	$161,561	$249,842	$88,281	$161,561	$249,842	$88,281	54.64%
Fund Sources								
Federal Revenue Fund	161,562	161,561	249,842	88,281	161,561	249,842	88,281	54.64%
Total Funds	$161,562	$161,561	$249,842	$88,281	$161,561	$249,842	$88,281	54.64%

Program Description

The federal Dwight D. Eisenhower Match and Science Education Act of 1988 provides funds to be used to upgrade the teaching skills of teachers in the mathematics and science disciplines. Grants are awarded to all institutions of higher education within the state on a competitive basis. Priorities for the grants are:

1. Inservice training for elementary, secondary, and vocational school teachers to improve their teaching skills in the fields of mathematics and science.

2. Retraining teachers who are currently teaching without proper certification in mathematics and science.

3. Retraining teachers who are currently teaching in other disciplines so they will specialize in teaching mathematics and science.

4. Traineeship programs for new teachers who will specialize in mathematics and science.

Budget

The budget increases 54.6 percent due to increased federal grant allocations anticipated for the 1993 biennium. Fifteen hundred dollars is allocated annually to operating expenses for grant proposal readers, indirect cost reimbursements, or other miscellaneous expenditures. Approximately $248,000 is expected to be available annually for grants to higher education agencies to provide the services described above.

DDE MATHEMATICS & SCIENCE EDUCATION ACT

Funding

Funding for this program comes from Title IIA of the federal Dwight D. Eisenhower Math and Science Education Act of 1988.

COMMUNITY COLLEGE ASSISTANCE

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	.00	.00	.00	.00	.00	.00	.00	.00
Local Assistance	3,203,911	3,380,255	3,815,856	435,601	3,380,255	4,215,246	834,991	19.10%
Total Costs	$3,203,911	$3,380,255	$3,815,856	$435,601	$3,380,255	$4,215,246	$834,991	19.10%
Fund Sources								
General Fund	3,203,911	3,380,255	3,815,856	435,601	3,380,255	4,215,246	834,991	19.10%
Total Funds	$3,203,911	$3,380,255	$3,815,856	$435,601	$3,380,255	$4,215,246	$834,991	19.10%

Program Description

The Community College Program distributes funds appropriated by the legislature for the support of Montana's three community colleges: Miles Community College, Flathead Valley Community College, and Dawson Community College. Each community college district has an elected board of trustees accountable to and supervised by the Board of Regents.

Language

"The appropriation in item 4 provides 51 percent and 55 percent of the total unrestricted budgets for the community colleges in fiscal years 1992 and 1993, respectively. The total unrestricted budgets for the community colleges must be approved by the board of regents."

"The general fund appropriation for each community college includes 49 percent of the total audit cost. The remaining 51 percent of these costs are to be paid from funds other than those appropriated in items 4 and 4a. Audit costs may not exceed $18,000 each for Dawson and Miles Community Colleges and $25,000 for Flathead Valley Community College for the biennium."

Community College Funding Formula

Since 1981, the legislature has developed budgets for the community colleges using an enrollment-based formula. The total unrestricted budget of the community colleges is determined by multiplying the number of FTE students by a cost factor per student. The cost factor covers all educational costs, such as instruction, academic support, student services, institutional support, and operation and maintenance of the physical plant. Legislative audit costs are then added to the formula-generated budgets. The state general fund appropriation is calculated by multiplying the total unrestricted budget by a fixed percentage of state support for the

COMMUNITY COLLEGE ASSISTANCE

unrestricted budget. The remainder of the unrestricted budget is financed from a combination of local revenues including a mandatory levy, student tuition and fees, and other unrestricted revenues.

Three variables impact the state general fund cost of the community college funding formula: 1) budgeted student FTE; 2) the cost factor; and 3) the percentage of state support for the unrestricted budget.

Budget

The state portion of the community college budget increases 19.1 percent from fiscal 1990 to 1992 because the legislature adjusted all three factors of the funding formula. The student FTE enrollment represents the average of the last two years' actual data with an adjustment allowed at Dawson to mitigate the effect of lower enrollment in fiscal 1989. The average student FTE enrollment for the 1993 biennium is 1,841 or 108 higher than the student FTE budgeted for the 1991 biennium. Table 3 shows how the 1993 biennium average enrollment was derived and provides a comparison with the 1991 biennium budgeted enrollment.

Table 3
1991 & 1993 Biennium Enrollment
Montana Community Colleges

Campus	Fiscal 1989	Fiscal 1990	Two-Year Average	Legislative Adjustment	1993 Biennium Enrollment	1991 Biennium Enrollment	Increase (Decrease) From 1991 Biennium	% Inc. (Dec.) From 1991 Biennium
Dawson	363	400	382	7	389	389	0	0.0%
Flathead	973	1,001	987	0	987	931	56	6.0%
Miles City	470	459	465	0	465	413	52	12.6%
Total	1,806	1,860	1,834	7	1,841	1,733	108	6.2%

The cost factor and percent state support were also increased in fiscal years 1992 and 1993 from the 1991 biennium level. Table 4 shows the increases in the cost factor and percent state support from the fiscal 1990 appropriation to each year of the 1993 biennium and the cumulative fiscal impact of the formula factor changes approved by the legislature.

COMMUNITY COLLEGE ASSISTANCE

Table 4
Community College Formula Factors
Fiscal Years 1990, 1992 and 1993

Formula Item	Appropriated Fiscal 1990	Legislature Fiscal 1992	Legislature Fiscal 1993	Change 1990-92	Change 1990-93
Student FTE Enrollment	1,733	1,841	1,841	108	108
Cost Factor per Student FTE	$3,907	$4,031	$4,163	3.17%	6.55%
Total Unrestricted Budget	$6,770,831	$7,421,071	$7,664,083	9.60%	13.19%
Audit Cost	$54,000	$61,000	$0	12.96%	---
Percent State Support	47%	51%	55%	+4 % Points	+8 % Points
Total General Fund Cost	$3,207,671	$3,815,856	$4,215,246	18.96%	31.41%

Funding

The community colleges are funded from state general fund, local millage revenue, student tuition and fees, and other miscellaneous revenues. The funding formula calculates the total current unrestricted budget to be authorized by the Board of Regents and the state share which is contained in the general appropriations act. Only the state general fund is included in the general appropriations act.

MUS GROUP INSURANCE PROGRAM

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	2.50	2.50	3.50	1.00	2.50	3.50	1.00	1.00
Personal Services	67,514	79,599	98,083	18,484	79,355	97,800	18,445	45.28%
Operating Expenses	470,841	907,413	1,106,914	199,501	907,461	1,117,434	209,973	135.09%
Equipment	834	0	5,000	5,000	0	5,000	5,000	499.52%
Benefits and Claims	9,812,979	12,560,000	12,689,935	129,935	15,060,000	14,964,223	95,777-	29.32%
Total Costs	$10,352,168	$13,547,012	$13,899,932	$352,920	$16,046,816	$16,184,457	$137,641	34.27%
Fund Sources								
Proprietary Fund	10,352,168	13,547,012	13,899,932	352,920	16,046,816	16,184,457	137,641	34.27%
Total Funds	$10,352,168	$13,547,012	$13,899,932	$352,920	$16,046,816	$16,184,457	$137,641	34.27%

Program Description

The Board of Regents provides faculty and staff with group benefits through the Montana University System Group Insurance Program within the Office of the Commissioner of Higher Education. The commissioner is authorized by Board of Regents policy 804.1 to administer the program as a self-insured, group insurance plan. The Montana University System Group Insurance Program covers faculty and staff employed by the six units of the university system, the five vocational-technical centers, and the commissioner's office. The program offers medical, dental, vision, group life insurance, and long-term disability benefits to employees, retirees, and eligible dependents.

Budget

Total costs increase 34.3 percent from fiscal 1990 to 1992 because of anticipated increases in claims and the budget modification for additional administrative expenses. Personal services increase 45.3 percent due to vacancy savings experienced in fiscal 1990, the fiscal 1991 pay plan increase continued into the 1993 biennium and the 1.0 FTE included in the budget modification. The increase is offset by four percent personal services reduction applied to this program.

While the table shows a 135.1 percent increase in operating costs, this increase is primarily due to a reclassification of claims administration expense as an operating cost rather than benefits and claims. Prior to fiscal 1991, the agency paid a premium to United of Omaha for minimum premium group insurance coverage for medical, dental, vision, life insurance, supplemental life insurance, dependent life insurance, accidental death and dismemberment, supplemental death and dismemberment, and long-term disability. This arrangement provided insurance coverage to the group insurance program beyond a specified benefit level. Beginning in fiscal 1991,

MUS GROUP INSURANCE PROGRAM

the group insurance program entered an "administrative services only" contract with United of Omaha for its medical, dental, and vision benefits, with the program assuming the full risk of these health insurance claims. All other coverages are continued as before. The budget modification adds approximately $113,000 annually to operating expenses.

The budget includes 19.0 percent annual growth in benefits and claims from the fiscal 1990 actual level.

Budget Modifications

	Executive				Legislature			
Modification Type	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93
1) Group Insurance Add'l Costs	0.0	0.0	$0	$0	1.00	1.00	$0	$280,050

1) Group Insurance Additional Costs - One FTE clerical staff and additional operating expenses were added to the budget, reflecting the additional services and costs requested through budget amendment in fiscal 1991. Most of the additional operating costs are for actuarial consultant services. The budget modification is funded from premium revenues and interest earnings from the group insurance account.

Funding

The group insurance program is funded from employer health insurance premiums (state contributions), additional premiums borne by the employee, and interest earnings on the self-insurance fund. Approximately 73.0 percent of total premium revenue is from the employer and 27.0 percent is from the employee.

TALENT SEARCH

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	6.15	7.45	7.45	.00	7.45	7.45	.00	1.30
Personal Services	144,813	183,320	175,988	7,332-	182,876	175,561	7,315-	21.53%
Operating Expenses	66,847	65,175	61,634	3,541-	65,156	61,546	3,610-	-7.80%
Equipment	45	0	0	0	0	0	0	-100.00%
Total Costs	$211,705	$248,495	$237,622	$10,873-	$248,032	$237,107	$10,925-	12.24%
Fund Sources								
Federal Revenue Fund	211,705	248,495	237,622	10,873-	248,032	237,107	10,925-	12.24%
Total Funds	$211,705	$248,495	$237,622	$10,873-	$248,032	$237,107	$10,925-	12.24%

Program Description

Talent Search is a federally funded program to provide career and financial aid counseling to students who are either low-income, physically handicapped, or culturally deprived. The program's objectives are to decrease the high school dropout rate in targeted high schools and to increase enrollment of disadvantaged students in Montana's post-secondary institutions.

Budget

Total expenditures increase 12.2 percent from fiscal year 1990 to 1992 due to the budget modification approved for the 1993 biennium. Personal services increase 21.5 percent because of vacancy savings experienced in fiscal 1990, the continuation of the fiscal 1991 pay plan increase in the 1993 biennium, and the additional 1.3 FTE included in the budget modification. These personal services increases were offset by a four percent reduction the legislature applied to personal services budget in this program. Operating expenses decrease 7.8 percent because one-time costs are removed from the base and travel costs are reduced to historic levels. No equipment was requested in the 1993 biennium.

TALENT SEARCH

Budget Modifications

	Executive				Legislature			
Modification Type	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93
1) Talent Search Add'l Fed. Funds	1.30	1.30	$0	$100,000	1.30	1.30	$0	$97,585

1) Talent Search Additional Federal Funds - Additional federal funds for this program are anticipated in the 1993 biennium to expand services to targeted seventh and eighth graders. The agency received a budget amendment for this purpose in the 1991 biennium.

Funding

The Talent Search program is funded from the federal Higher Education Act of 1965, as amended.

C.D. PERKINS ADMINISTRATION

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	5.00	5.00	3.20	1.80-	5.00	3.20	1.80-	-1.80
Personal Services	179,273	190,848	106,639	84,209-	190,250	106,303	83,947-	-40.52%
Operating Expenses	37,404	40,282	79,288	39,006	40,476	47,634	7,158	111.98%
Equipment	445	0	0	0	0	0	0	-100.00%
Grants	955,139	2,299,462	1,893,923	405,539-	2,299,462	1,893,923	405,539-	98.29%
Transfers	2,597,502	2,288,088	3,128,447	840,359	2,288,088	3,127,953	839,865	20.44%
Total Costs	$3,769,763	$4,818,680	$5,208,297	$389,617	$4,818,276	$5,175,813	$357,537	38.16%
Fund Sources								
General Fund	79,858	85,785	92,966	7,181	85,583	76,970	8,613-	16.41%
Federal Revenue Fund	3,689,905	4,732,895	5,115,331	382,436	4,732,693	5,098,843	366,150	38.63%
Total Funds	$3,769,763	$4,818,680	$5,208,297	$389,617	$4,818,276	$5,175,813	$357,537	38.16%

Program Description

The Board of Regents is designated as the sole state agency for Carl D. Perkins Vocational Education Act funds, which support vocational education at the secondary and postsecondary level. Administration of these funds include provision of technical assistance to the field, grants management, performance reviews, filing of an annual performance report, and the development and submission of a state plan for the use of the funds. The Board of Regents is required by state statute to contract with the Office of Public Instruction for provision of technical assistance and grants management for secondary level grant subrecipients.

Effective fiscal 1992, this program contains expenditures relating to the federal fund administration function only. Prior to fiscal 1992, this program also contained the expenditures relating to vo-tech center administration. The legislature approved the agency's request to separate the federal fund administration function from the vo-tech center administration function. The vo-tech center administration function is contained in the Vo-Tech Center Administration Program.

Budget

The budget provides a 38.2 percent increase from fiscal 1990 to fiscal 1992 due to a new requirement for a state match on Carl Perkins gender equity funds and more funds available for grants to postsecondary and secondary education agencies. The reauthorization of the federal Carl D. Perkins Vocational Education Act decreases the amount of federal funds available for state administration from approximately $310,000 to $250,000 annually. State statute requires CHE to contract with the Office of Public Instruction (OPI) to

C.D. PERKINS ADMINISTRATION

serve secondary schools. During the 1991 biennium, approximately $180,000 was transferred to OPI each year for administration costs. The legislature has appropriated approximately $189,000 annually to OPI in the 1993 biennium, reducing the funds available for this program to $60,000 annually from the gender equity portion of the federal grant, $1,000 annually from the basic grant, and approximately $53,000 for the 1993 biennium from available carryover funds.

In response to the declining federal funds and a related agency request, beginning in fiscal 1992 the legislature funds vocational-technical center administration functions with 100 percent general fund in a separate program (Vocational-Technical Center Administration) and the federal fund administration function with 50/50 state/federal funds in this program. Prior to fiscal 1992, both functions were funded with state and federal funds in this program. This action, coupled with the new federal requirement to match the $60,000 gender portion of the grant dollar for dollar with state funds, increases general fund approximately $109,000 from fiscal 1990 to 1992 and $93,000 from fiscal 1990 to 1993.

The main table does not show this general fund impact because only the Carl D. Perkins program is included in the "Legislature" columns for fiscal 1992 and 1993. Table 5 below shows the actual fiscal 1990 expenditures and funding for the former program (called the Vocational-Technical Administration program), the fiscal 1992 expenditures and funding for both the Carl D. Perkins Administration program and the Vocational-Technical Center Administration program, and the percentage change between fiscal 1990 actual and the fiscal 1992 total of the new programs.

C.D. PERKINS ADMINISTRATION

Table 5
Carl D. Perkins and Vo-Tech Center Administration Programs - Legislative Action

ITEM	Actual FY 1990 Vo-Tech Admin. Program	Legislative Action Fiscal Year 1992 Carl D. Perkins Administration	Legislative Action Fiscal Year 1992 Vo-Tech Center Administration	Legislative Action Fiscal Year 1992 Total Both Programs	Change 1990 - 92
FTE	5.00	3.20	1.80	5.00	0.00
Personal Services	$179,273	$106,639	$76,575	$183,214	2.20%
Operating Expenses	37,404	79,288	20,000	99,288	165.45%
Equipment	445	0	0	0	-100.00%
Subtotal Operations	$217,122	$185,927	$96,575	$282,502	30.11%
Grants	$955,139	$1,893,923	$0	$1,893,923	98.29%
Transfers	2,597,502	3,128,447	150,000	3,278,447	26.22%
Total Program Costs	$3,769,763	$5,208,297	$246,575	$5,454,872	44.70%
Funding					
General Fund	$79,858	$246,575	$246,575	$339,541	325.18%
Federal Funds					
Administration	137,264	92,961	0	92,961	-32.28%
Grants/Transfers	3,552,641	5,022,370	0	5,022,370	41.37%
Total Funds	$3,769,763	$5,208,297	$246,575	$5,454,872	44.70%

Personal services increase 2.2 percent because of vacancy savings in fiscal 1990 and the continuation of the fiscal 1991 pay plan increase in the 1993 biennium. Operating expense adjustments result in an overall increase because the gender equity funds must now be evenly matched with state funds. This added $60,000 per year of general fund to the operating expense budget. Federal authority totaling $7,157 was also added each year for gender equity to increase authorized federal expenditures to the $60,000 provided. In addition, the legislature allocated $20,000 per year for vocational-technical center administration operating costs. Finally, operating expenses are reduced approximately $25,300 in fiscal 1992 (and $57,300 in fiscal 1993) in the Carl D. Perkins Administration program due to reduced federal administration funds.

C.D. PERKINS ADMINISTRATION

Grants and transfers in the Carl D. Perkins Administration program increases reflect higher federal revenue available for this purpose in the next biennium. Transfers in the Vo-Tech Center Administration program reflect the general fund contingency appropriation for the vocational-technical centers.

Funding

The Carl D. Perkins Administration program is funded from the Carl D. Perkins Vocational and Applied Technology Education Act Amendments of 1990. All administration expenditures from this federal source must be equally matched with state funds.

GUARANTEED STUDENT LOAN PROGRAM

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	32.95	35.95	36.45	.50	35.95	36.45	.50	3.50
Personal Services	503,924	858,639	861,198	2,559	856,996	859,560	2,564	70.90%
Operating Expenses	734,862	711,540	695,982	15,558-	712,514	690,113	22,401-	-5.29%
Equipment	74,557	135,087	135,000	87-	135,087	135,000	87-	81.07%
Total Costs	$1,313,343	$1,705,266	$1,692,180	$13,086-	$1,704,597	$1,684,673	$19,924-	28.85%
Fund Sources								
Federal Revenue Fund	1,313,343	1,705,266	1,692,180	13,086-	1,704,597	1,684,673	19,924-	28.85%
Total Funds	$1,313,343	$1,705,266	$1,692,180	$13,086-	$1,704,597	$1,684,673	$19,924-	28.85%

Program Description

The 1979 legislature authorized the Guaranteed Student Loan Program (GSLP), placing it under the direction and supervision of the Board of Regents. The program is funded by federal government payments for an administrative cost allowance, the guarantee fee charged to borrowers, and interest earned on investments. GSLP initially contracted with United Student Aid Funds in Indianapolis to process loan applications, maintain records on student borrowers, warehouse records, and perform all other necessary functions. In the fall of 1987, the Board of Regents approved a plan to have GSLP perform these duties in Montana. The first phase of this plan began in April 1988 when the Montana guarantee agency began processing the students' applications and promissory notes in Helena. The second phase began in April 1989 when the agency began processing status changes and lender fee billings. All functions have been performed in Helena since March 1990.

Budget

Total expenditures increase 28.9 percent from fiscal 1990 to 1992 due to increased personal services and equipment relating to base changes and two budget modifications. One and one-half FTE current level positions that were vacant a major portion of fiscal years 1990 and 1991 were eliminated. Despite the current level FTE reduction, personal services increase 70.9 percent because the program experienced significant vacancy savings in fiscal 1990, 5.0 additional FTE were authorized in the 1993 biennium at an annual cost of approximately $114,000, and several current level positions received classification upgrades adding approximately $49,000 annually to the personal services current level base. The legislature imposed a four percent reduction to the personal services budget, decreasing costs approximately $33,500 annually during the 1993 biennium.

GUARANTEED STUDENT LOAN PROGRAM

Operating expenses decrease 5.3 percent as the agency assumes loan servicing responsibility in Helena rather than contracting with United Student Aid Funds (USA Funds) in Indianapolis for this service. The Guaranteed Student Loan program will continue to contract with USA Funds for the use of its software and reporting capabilities. The budget includes $195,000 annually for this purpose, which is approximately $219,000 less than expended in fiscal 1990. The operating expense base was increased $127,669 annually for contingency reinsurance costs. The budget modifications add approximately $56,000 annually to operating expenses.

Equipment is included at $135,000 annually. Twenty-five thousand annually reflects the recent historical expenditure level and $110,000 annually is included in the budget modification.

Budget Modifications

	Executive				Legislature			
Modification Type	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93
1) GSL Additional Workload	3.00	3.00	$0	$462,076	3.00	3.00	$0	$465,385
2) Supplemental Pre-Claims Unit					2.00	2.00	0	86,794
Total	3.00	3.00	$0	$462,076	5.00	5.00	$0	$552,179

1) GSL Additional Workload - Three FTE and approximately $235,300 are authorized annually to fully recognize the loan servicing function of the Guaranteed Student Loan program. This budget modification continues a budget amendment approved for fiscal years 1990 and 1991.

2) Supplemental Pre-Claims Unit - New federal law requires guarantee agencies to offer supplemental pre-claims assistance to its lenders. Two positions are authorized for this purpose.

Funding

This program is funded with program fees and federal administrative allowance payments from the U.S. Department of Education under the Higher Education Act of 1965 as amended.

BOARD OF REGENTS-ADMINISTRATION

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	.00	.00	.00	.00	.00	.00	.00	.00
Personal Services	12,200	12,200	11,712	488-	12,200	11,712	488-	-4.00%
Operating Expenses	21,197	21,142	21,142	0	21,151	21,151	0	-.26%
Total Costs	$33,397	$33,342	$32,854	$488-	$33,351	$32,863	$488-	-1.63%
Fund Sources								
General Fund	33,397	33,342	32,854	488-	33,351	32,863	488-	-1.63%
Total Funds	$33,397	$33,342	$32,854	$488-	$33,351	$32,863	$488-	-1.63%

Program Description

Article X, Section 9 of the Montana Constitution places the government and control of the Montana University System in the Board of Regents of higher education which have full power, responsibility, and authority to supervise, coordinate, manage, and control that system. In addition, the board supervises and coordinates other public educational institutions assigned by law.

The board consists of seven members appointed by the Governor and confirmed by the Senate. One of the members of the board is a student. The board meets not less than quarterly and has three permanent standing committees: the administrative committee, the budget committee, and the academic affairs committee. The Commissioner of Higher Education is an ex-officio, non-voting member of all committees.

Budget

The budget decreases 1.6 percent from fiscal 1990 to 1992 because the legislature applied a four percent reduction to all personal services expenditures. Personal services costs include per diem reimbursement to the board members. Operating costs consist primarily of travel expense reimbursement to board members to attend board meetings.

BOARD OF REGENTS BOND PAYMENTS

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	.00	.00	.00	.00	.00	.00	.00	.00
Debt Service	730,905	706,255	706,255	0	698,153	698,153	0	-3.37%
Total Costs	$730,905	$706,255	$706,255	$0	$698,153	$698,153	$0	-3.37%
Fund Sources								
General Fund	730,905	706,255	706,255	0	698,153	698,153	0	-3.37%
Total Funds	$730,905	$706,255	$706,255	$0	$698,153	$698,153	$0	-3.37%

Program Description

The Board of Regents is authorized in Section 20-16-108, MCA, to lease or purchase any building, land, and/or property at a vocational-technical center from the respective school districts. The board has acquired the facilities in Helena and Missoula and entered into contracts with the school districts in Billings, Butte, and Great Falls to retire the districts' bonded indebtedness. This program contains the bond payments to those school districts for the next biennium.

Budget

Total bond payments are scheduled to decrease 3.4 percent from fiscal 1990 to 1992 and an additional 1.2 percent from fiscal 1992 to 1993. Vocational-technical building bond payments are funded by the state general fund. Table 6 details the bond payments by year for each center and the remaining indebtedness on the outstanding bonds as of July 1, 1991.

BOARD OF REGENTS BOND PAYMENTS

Table 6
Estimated Bond Payments in the 1993 Biennium and Remaining Indebtedness as of July 1, 1991
Vocational-Technical Centers

Center	FY 1992	FY 1993	1993 Biennium Total	---REMAINING INDEBTEDNESS AS OF 7/1/91-- Principal	Interest	Total	No. of Years Remaining
Billings	$127,870	$122,408	$ 250,278	$ 760,000	$ 115,520	$ 875,520	8
Butte	468,035	470,495	938,530	2,285,000	986,345	3,271,345	7
Gt. Falls	110,350	105,250	215,600	300,000	16,650	316,650	3
Total	$706,255	$698,153	$1,404,408	$3,345,000	$1,118,515	$4,463,515	

VO-TECH CENTER ADMINISTRATION

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	.00	.00	1.80	1.80	.00	1.80	1.80	1.80
Personal Services	0	0	76,575	76,575	0	76,338	76,338	.00%
Operating Expenses	0	0	20,000	20,000	0	20,000	20,000	.00%
Transfers	0	0	150,000	150,000	0	0	0	.00%
Total Costs	$0	$0	$246,575	$246,575	$0	$96,338	$96,338	.00%
Fund Sources								
General Fund	0	0	246,575	246,575	0	96,338	96,338	.00%
Total Funds	$0	$0	$246,575	$246,575	$0	$96,338	$96,338	.00%

Program Description

The Fiftieth Legislature transferred governance of the vocational-technical centers to the Board of Regents from the Superintendent of Public Instruction. Effective fiscal 1992, this program contains the staff and operating costs to provide administrative service to the board to carry out vocational-technical center governance activities only. Administrative services relating to federal vocational education funds are now contained in a separate program.

Budget

As noted in the Carl D. Perkins Administration program, the legislature approved the agency's request to form two programs: 1) the Carl D. Perkins Administration Program; and 2) the Vo-Tech Center Administration program from the former Vo-Tech Administration program. This program contains costs relating only to vocational-technical center administration functions. A portion of the FTE from the former Vo-Tech Administration program (1.8 FTE) are transferred to this program. The 1.8 FTE includes 0.80 FTE for the Deputy Commissioner for Vocational-Technical Education, 0.50 FTE for a financial assistant, and 0.50 FTE for a secretary. The remaining portions of these FTE are included in the Carl D. Perkins Administration program.

Operating expenses include $20,000 annually for on-going center administration costs. The transfer expense includes the budget modification for the vo-tech center contingency.

VO-TECH CENTER ADMINISTRATION

Budget Modifications

	Executive				Legislature			
Modification Type	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93
1) Vo-Tech Center Contingency	0.0	0.0	$0	$0	0.0	0.0	$150,000	$150,000

1) Vo-Tech Center Contingency - The legislature approved a $150,000 biennial general fund appropriation for contingency funds at the vocational-technical centers. The Office of Commissioner of Higher Education is authorized to transfer the contingency funds to one or more of the centers to mitigate any unforseen problems that may occur in implementing the vo-tech funding formula.

MONTANA UNIVERSITY SYSTEM

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
Campus								
MSU	46,672,191	49,485,948	53,430,243	3,944,295	49,291,325	53,117,624	3,826,299	14.48%
UM	38,242,950	42,655,050	44,850,824	2,195,774	42,561,782	44,725,145	2,163,363	17.28%
EMC	14,570,697	15,319,937	16,414,458	1,094,521	15,288,419	16,157,860	869,441	12.65%
NMC	8,386,396	8,033,098	8,621,172	588,074	8,040,189	8,543,537	503,348	2.80%
WMCUM	4,640,674	4,819,159	4,981,588	162,429	4,820,758	4,915,429	94,671	7.35%
MCMST	8,979,617	9,463,737	10,134,610	670,873	9,462,431	10,056,016	593,585	12.86%
Regents Discretionary	0	4,000,000	0	(4,000,000)	4,000,000	0	(4,000,000)	---
Campus Totals	$121,492,525	$133,776,929	$138,432,895	$4,655,966	$133,464,904	$137,515,611	$4,050,707	13.94%
Program								
Instruction	62,704,491	69,639,984	76,463,033	6,823,049	69,639,984	76,208,715	6,568,731	21.94%
Support	36,824,303	37,755,363	39,225,124	1,469,761	37,501,288	38,216,551	715,263	6.52%
Research	1,200,718	1,235,670	1,297,743	62,073	1,236,440	1,268,415	31,975	8.08%
Public Service	476,870	475,883	829,049	353,166	476,563	1,049,882	573,319	73.85%
Plant O & M	16,911,847	17,338,117	17,109,808	(228,309)	17,278,717	17,263,910	(14,807)	1.17%
Scholar & Fellow.	3,374,296	3,331,912	3,508,138	176,226	3,331,912	3,508,138	176,226	3.97%
Regents Discretionary	0	4,000,000	0	(4,000,000)	4,000,000	0	(4,000,000)	---
Total Costs	$121,492,525	$133,776,929	$138,432,895	$4,655,966	$133,464,904	$137,515,611	$4,050,707	13.94%
Revenue								
General Fund	75,838,717	89,640,774	93,922,080	4,281,306	89,108,361	92,760,796	3,652,435	23.84%
Six Mill Levy	12,050,000	11,540,589	11,887,000	346,411	11,760,977	12,131,000	370,023	-1.35%
Tuition	30,793,377	31,984,273	31,998,465	14,192	31,984,273	31,998,465	14,192	3.91%
Indirect Costs	1,213,672	0	0	0	0	0	0	-100.00%
Educ Trust Interest	945,184	0	0	0	0	0	0	-100.00%
Other	651,575	611,293	625,350	14,057	611,293	625,350	14,057	-4.02%
Total Funds	$121,492,525	$133,776,929	$138,432,895	$4,655,966	$133,464,904	$137,515,611	$4,050,707	13.94%

MONTANA UNIVERSITY SYSTEM

Language

Insert at the beginning of Section E of the general appropriations act:

"University units are defined in [Section 5 of House Bill 454]. For all university units, except the Office of the Commissioner of Higher Education, all funds, other than plant funds appropriated in the long range building bill and current unrestricted operating funds, are appropriated contingent upon approval of the comprehensive program budget by the Board of Regents by October 1 of each year. The budget must contain detailed revenues and expenditures and anticipated fund balances of current funds, loan funds, endowment funds, and plant funds. All movement of funds between the current unrestricted subfund and the designated subfund account entities must be clearly identified in the state budgeting and accounting system.

Programs for the university units' budgets, except the Office of the Commissioner of Higher Education, include instruction, organized research, public service, academic support, student services, institutional support, operation and maintenance of plant, and scholarships and fellowships.

All university units, except the Office of the Commissioner of Higher Education, shall account for expenditures consistently within programs and funds across all units and shall use the national center for higher education management systems program classification structure, along with the college and university business administration (CUBA) system, as a minimum standard for achieving consistency."

Insert following the six university units:

"Included within current unrestricted funds (contained in the "other" fund column) to the six university units is the sum of $11,887,000 in fiscal 1992 and $12,131,000 from revenues generated under the provision of 20-25-423. The Department of Revenue shall levy the full 6 mills as authorized in 20-25-423. Revenue received by the university system under the provisions of 20-25-423 that exceed $11,887,000 in fiscal 1992 and $12,131,000 in fiscal 1993 is appropriated to the Office of the Commissioner of Higher Education for distribution to the university system and must cause a general fund reversion of a like amount.

"It is understood by the 52nd legislature that the appropriations contained in [this act] for the six university units may result in the Board of Regents electing to limit or reduce enrollment during fiscal 1992 and fiscal 1993. It is the intent of the 52nd legislature that if actual enrollments during the 1993 biennium are fewer than the budgeted number of student full-time equivalents for the 1993 biennium, systemwide or by unit, the Legislative Fiscal Analyst shall present to the 53rd legislature a current level budget for the six units, systemwide and by unit, no lower than the budgeted amount for the 1993 biennium.

It is further understood by the 52nd legislature that shortfalls in student tuition due to enrollment declines may be presented to the 53rd legislature for a supplemental appropriation. These tuition shortfalls are not expected to be made up by per-student full-time equivalent tuition increases."

"The 52nd legislature intends for the Montana University System to be subject to the personal services line item requirements contained in [section 2]. The dollar amount of the personal services line item is equal to the following:

MONTANA UNIVERSITY SYSTEM

1) For the research, public service, and plant programs, the line item is equal to the personal services amount contained in table 3 of the Montana University System budget narrative accompanying [this act].

2) For the instruction program, the line item is equal to the personal services identified on the original Regents' approved operating budget each fiscal year, but may be no less than the faculty compensation amount contained in table 3 of the Montana University System budget narrative accompanying [this act].

3) For the support program, the line item is equal to the personal services identified on the original Regents' approved operating budget each fiscal year.

It is further the intent of the 52nd legislature that the original budgeted personal services by program on the Regents' Employee Reporting System each fiscal year shall equal the original Regents' approved operating budget by program."

Following Montana State University:

"Total audit costs are estimated to be $110,488 for the biennium. Fifty percent of these costs must be paid from funds other than those appropriated in items 1 through 6."

"[NSF Mathematics Grant Match] is a biennial appropriation and is contingent on the receipt of the National Science Foundation mathematics grant being awarded to Montana."

Following University of Montana:

"Total audit costs are estimated to be $110,488 for the biennium. Fifty percent of these costs must be paid from funds other than those appropriated in items 1 through 6.

"[Instruction Program] contains $130,000 from the general fund in fiscal 1992 and $130,000 from the general fund in fiscal 1993 for the University of Montana Pharmacy School over and above the amount generated by the funding formula for the School of Pharmacy. Any grant and donation made to the University of Montana for the express purpose of maintaining accreditation at the School of Pharmacy may not reduce funds otherwise allocated from the current unrestricted fund. It is the intent of the legislature that the current unrestricted budget allocation by the University of Montana to the School of Pharmacy not be reduced. It is the further intent of the legislature that these additional funds become part of the current level base budget for the University of Montana and be included in the 1995 biennium current level budget analysis prepared by the Office of the Legislative Fiscal Analyst and presented to the 53rd legislature."

"[Bureau of Business and Economic Research] is a biennial appropriation."

Following Eastern Montana College:

"Total audit costs are estimated to be $69,450 for the biennium. Twenty-five percent of these costs must be paid from funds other than those appropriated in items 1 through 5.

[Apsaruke Hall Utilities] is for utilities expense at Apsaruke Hall only. Any unused funds shall revert to the general fund at the end of each fiscal year."

Following Northern Montana College:

"Total audit costs are estimated to be $56,823 for the biennium. Twenty-five percent of these costs must be paid from funds other than those appropriated in items 1 through 5."

Following Western Montana College of the University of Montana:

"Total audit costs are estimated to be $58,402 for the biennium. Twenty-five percent of these costs must be paid from funds other than those appropriated in items 1 through 4."

Following Montana College of Mineral Science and Technology:

"Total audit costs are estimated to be $66,294 for the biennium. Twenty-five percent of these costs must be paid from funds other than those appropriated in items 1 through 5."

Budget

University system expenditures are grouped into functional categories, including Instruction, Research, Public Service, Support (academic, student services, and institutional), Operation and Maintenance of Plant, and Scholarships and Fellowships.

The Instruction category accounts for all activities that are part of an institution's instruction program, including faculty, department operating costs, and instructional equipment.

Research includes all expenditures for activities specifically organized to produce research outcomes. MSU, UM, and MCMST have research programs supported with current unrestricted funds.

Public Service includes funds expended for activities that are established primarily to provide noninstructional services beneficial to individuals or groups external to the institution. MSU, UM, EMC, and NMC have current unrestricted funded public service activities.

The Support program includes funds expended to support the institutions' primary missions--instruction, research, and public service, to provide administrative and management support to the academic programs, to provide services that enhance the students' emotional and physical well-being, and to support executive level management activities. Examples of support expenditures include libraries, financial aid, counseling and career guidance, fiscal management, and data processing.

The Plant program includes all expenditures necessary to operate and maintain the physical plant, such as building maintenance, custodial services, and utilities.

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Scholarships and Fellowships are fee waivers granted to students as the result of state law or Regent policy--such as veterans and high school honor students--or at the institutions' discretion--such as athletic scholarships.

The Montana University System budget increases 13.9 percent from fiscal 1990 to 1992 due to six main factors: 1) pay plan and formula adjustments between fiscal 1990 and 1991 are continued into the 1993 biennium; 2) inflation in fiscal 1992 adds $1.34 million; 3) budgeted enrollment increases add $1.84 million; 4) approved budget modifications add $1.67 million; 5) funding faculty arbitrated salary agreements from the 1991 biennium in the personal services base adds $3.9 million each year of the 1993 biennium; and 6) other formula adjustments and program expansions discussed later in this "Budget" section add $6.95 million in fiscal 1992 and $6.89 million in fiscal 1993.

The legislature implemented a 4 percent personal services reduction in the Research, Public Service, and Physical Plant programs and a 2 percent reduction to non-faculty personal services in the Instruction and Support programs in the 1993 biennium. The total personal services reduction for the six units is $982,381 each fiscal year funded by general fund.

The university system current unrestricted fund budget is calculated for all six campuses using a combination of a workload-related formula and a "base-plus-inflation" (or incremental) approach for certain budget programs. The Instruction and Support program budgets are derived using the funding formula and fiscal 1991 budget factors adopted by the 1989 legislature, adjusted for program enhancements and expansions approved by the 1991 legislature. The formula calculations also considered enrollment changes at the campuses and anticipated inflation in the 1993 biennium. The Research, Public Service, and Plant Operation and Maintenance program budgets are estimated using the incremental approach used for most other state agency budgets. For these programs, actual fiscal 1990 expenditures within the legislative appropriation have been continued into the 1993 biennium with adjustments reflecting one-time costs, inflation adjustments, pay plan increases through fiscal 1991, and program expansions approved by the 1991 legislature.

State general fund increases faster than overall expenditures in the current level budget because other sources have declined or become unavailable for use in the current unrestricted operating budget.

The sections below describe the formula mechanics and budget components in more detail.

Funding Formula Factors

The funding formula uses the following factors to estimate the current unrestricted Instruction and Support budget for the six units: 1) the average of actual enrollment for the two most recent fiscal years (fiscal years 1989 and 1990); 2) student/faculty ratios; 3) average faculty salaries; 4) faculty benefit rates; 5) instructional support cost per student; and 6) support program cost per student. The Instruction and Support programs total 83.0 percent of the current unrestricted budget.

Instruction

The Instruction program budget is developed using formula factors #1 through #5. The Instruction budget is a combination of instructional faculty compensation and instructional support costs, which consist of support personnel and actual operating costs and instructional equipment. Instructional compensation is calculated using student enrollment, student/faculty ratios, and an average faculty salary plus benefits. The student enrollment is divided by the student/faculty ratio to compute the FTE faculty.

The FTE faculty is then multiplied by the average faculty salary plus benefits to compute total instructional faculty compensation. An instructional support rate per FTE student is multiplied by the student enrollment and added to the faculty compensation to determine the total Instruction program budget.

The enrollment used in the formula budgets is based on the average of the previous two years' actual enrollments. Table 1 shows the actual enrollment for fiscal 1989 and 1990 and the average used in the 1993 biennium budget calculations. Table 1 also shows the enrollment used in the 1991 biennium budget for comparative purposes. The two-year average enrollment used in the 1993 biennium budget is 25,136, a 2.1 percent increase from the budgeted enrollment for the 1991 biennium. The enrollment changes range from a 6.7 percent increase at the University of Montana to a 3.5 percent decrease at the Montana College of Mineral Science and Technology.

The student/faculty ratios, average faculty salary, and faculty benefit rates used to determine the 1993 biennium instructional faculty costs are summarized in Table 1. The student/faculty ratios are those adopted by the 1989 legislature for fiscal year 1991, adjusted as necessary for the program enhancements and expansions discussed later in this "Budget" section. The average faculty salaries are based on fiscal 1988 Montana average salaries with "six-and-six" percent increases negotiated with the units by the Board of Regents and arbitrated salary increases which exceeded the 1991 biennium pay plan. The arbitrated salary increase was a 2.5 percent annual increase and a 1.0 percent merit pool in addition to the annual 6.0 percent increase funded by the 1989 legislature. All six campuses received the arbitrated salary adjustment in its personal services base for the 1993 biennium. The benefits rates are based on the anticipated 1993 biennium rates for teacher's retirement, FICA, state unemployment, workers' compensation, and fiscal 1991 rates for group health insurance.

The pay plan increase for fiscal 1992 and fiscal 1993 (House Bill 509) is not included in the table above or in any of the tables accompanying this section of the report. In volume I of this report in the "Pay Plan" section is a description of the pay plan increase and a table showing allocations to each agency.

The instructional support costs of the Instruction program are determined by multiplying the budgeted enrollment by a cost per student. Instructional support costs are non-teaching instruction departmental costs, such as clerical support, operating costs, and instructional equipment. The instructional support rate used to determine the 1993 biennium instructional support cost are those rates adopted by the 1989 legislature for fiscal 1991, adjusted for the 1991 biennium pay plan, estimated 1993 biennium inflation, and for the program enhancements and expansions discussed later in this "Budget" section. The instructional support rates on Table 1 **do not** include the 1993 biennium pay plan.

Support

The Support program budget is calculated using student enrollment and a flat rate per FTE student. The support cost factors used to determine the 1993 biennium budget are those rates adopted by the 1989 legislature for fiscal 1991, adjusted for the 1991 biennium pay plan, estimated 1993 biennium inflation, and for the program enhancements and expansions discussed later in this "Budget" section. The support rates on Table 1 **do not** include the 1993 biennium pay plan.

Legislative audit costs total $471,945 in the 1993 biennium. The budget anticipates 25 percent of total audit costs at Eastern, Northern, Western, and Montana Tech will be paid from funds other than the current unrestricted fund and 50 percent will be paid from non-current unrestricted funds at Montana State University and the University of Montana. Total audit costs budgeted from the current

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unrestricted fund are $298,716, which are added to the Support program formula calculations. This is consistent with action taken by previous legislatures.

Table 1
Funding Formula Components Adopted By The 1991 Legislature

Formula Component	MSU	UM	EMC	NMC	WMCUM	MCMST	TOTAL
1. Enrollment							
FY89 Actual	9,371	7,977	3,287	1,548	954	1,546	24,683
FY90 Actual	9,543	8,587	3,354	1,581	877	1,499	25,441
1993 Biennium Average (1)	9,457	8,282	3,321	1,637	916	1,523	25,136
1991 Biennium Average	9,476	7,759	3,296	1,631	877	1,578	24,617
Change 1991 - 1993 Biennium							
No. of FTE	(19)	523	25	6	39	(55)	519
Percent Change	-0.2%	6.7%	0.8%	0.4%	4.4%	-3.5%	2.1%
2. Student Faculty Ratio (2)							
Fiscal 1991	17.63	18.38	19.00	15.50	15.46	16.61	
Fiscal 1992	17.26	18.34	18.48	15.50	15.46	15.91	
Fiscal 1993	16.88	18.34	18.48	15.50	15.46	15.91	
3. Average Faculty Salary							
FY91 Appropriated	$35,086	$35,086	$29,680	$28,620	$28,620	$35,086	
FY92 & 93 with salary arbitration agreement	$37,441	$37,441	$31,673	$30,542	$30,542	$37,441	
4. Average Faculty Benefits	21.070%	21.089%	22.019%	22.214%	22.126%	21.058%	
5. Instructional Support Rate (3)							
FY91 Appropriated Rate	$514	$428	$331	$350	$379	$557	
FY91 Rate with 1991 Biennium Pay Plan	$517	$431	$334	$352	$382	$560	
FY92 Appropriated Rate	$550	$444	$385	$353	$385	$735	
FY93 Appropriated Rate	$580	$446	$351	$353	$386	$736	

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6. Support Rate (3)						
FY91 Appropriated Rate	$1,436	$1,424	$1,486	$1,473	$1,602	$1,788
FY91 Rate with 1991 Biennium Pay Plan	$1,454	$1,442	$1,503	$1,492	$1,623	$1,810
FY92 Appropriated Rate	$1,470	$1,476	$1,549	$1,499	$1,631	$1,827
FY93 Appropriated Rate	$1,476	$1,482	$1,549	$1,500	$1,634	$1,833

(1) The legislature added 72 budgeted FTE for the Great Falls campus.
(2) The student faculty ratio is rounded to two decimal places for presentation purposes. The 1993 biennium ratios at MSU, UM, EMC and MCMST reflect accreditation adjustments.
(3) The fiscal 1992 and 1993 appropriated rates reflect the fiscal 1991 appropriated rate adjusted for the 1991 biennium pay plan, the 1993 biennium estimated inflation, and accreditation adjustments at MSU, UM, EMC, and MCMST.

Incremental Budgeting

Research, Public Service, and Plant Operations & Maintenance

These programs are budgeted using the incremental method used for most other state agencies. The actual fiscal year 1990 current level expenditures within legislative appropriations are continued into the 1993 biennium with one-time appropriations removed and new space appropriations annualized. Personal services costs have been adjusted to fiscal 1991 appropriated levels and reduced four percent for vacancy savings. The legislature approved several current level adjustments and program enhancements and expansions which the legislature intends to become part of the base operating budget. These adjustments are discussed in the next section.

Scholarships and Fellowships

This program budget increases 4.0 percent from fiscal 1990 to 1992 because of the budgeted enrollment increase and the increased number of students eligible for mandatory fee waivers. This budget is developed using 5.75 percent of anticipated registration and in-state incidental fees and 18.45 percent of projected out-of-state incidental fees. This methodology has been used by the legislature since 1981. Projections, based on fiscal 1990 actual expenditures, are also included for mandatory fee waivers for eligible students: Native Americans, veterans, senior citizens, high school honor recipients, war orphans, prisoners of war, custodial, community college honor, and national merit.

Formula Adjustments and Program Expansions

The legislature approved several current level formula adjustments and program enhancements and expansions. These adjustments are listed below by unit for each fiscal year and are discussed in detail following Table 2. All adjustments, except #2 and a portion of #12, are intended to become a permanent part of the base operating budget. Adjustment #13, vacancy savings, is decided by legislative action each session.

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Table 2
Current Level Adjustments Approved by Legislature
University System 1993 Biennium Budget

Adjustment	Program	MSU	UM	EMC	NMC	WMC	MCMST	TOTAL
1. Arbitrated Salaries								
FY 92	Instruction	$1,529,698	$1,284,977	$425,081	$237,160	$139,077	$261,460	$3,877,453
FY 93		$1,529,698	$1,284,977	$425,081	$237,160	$139,077	$261,460	$3,877,453
2. NSF Math Grant Match								
FY 92	Instruction	$1,000,000						$1,000,000
FY 93								$0
3. Nursing Expansion								
FY 92	Instruction	$313,388						$313,388
FY 93		$584,443						$584,443
4. NMC-Gt. Falls Campus								
FY 92	Instruction				$198,804			$198,804
FY 93					$198,804			$198,804
FY 92	Support				$107,928			$107,928
FY 93					$108,000			$108,000
5. Accreditation Needs								
FY 92	Instruction	$502,711	$199,401	$349,487			$445,392	$1,496,991
FY 93		$1,061,792	$199,401	$233,252			$445,392	$1,939,837
FY 92	Support			$63,099				$63,099
FY 93				$49,815				$49,815
6. Liability Insurance Premium Increases								
FY 92	Support	($8,027)	$62,777	$68,529	$84,283	$1,474	$904	$209,940
FY 93		($3,827)	$69,438	$73,777	$89,997	$1,780	$1,520	$232,685
7. Disability Services								
FY 92	Support		$99,384	$63,099				$162,483
FY 93			$99,384	$69,741				$169,125
8. Museum of the Rockies								
FY 92	Public Service	$150,000						$150,000
FY 93		$150,000						$150,000

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9. Public Television								
FY 92	Public Service	$100,000	$30,000					$130,000
FY 93		$200,000	$150,000					$350,000
10. Montana Repertory Theatre								
FY 92	Public Service		$90,000					$90,000
FY 93			$90,000					$90,000
11. Yellow Bay Research Center								
FY 92	Research		$92,000					$92,000
FY 93			$92,000					$92,000
12. Additional Program Support								
FY 92	Physical Plant			$20,503				$20,503
FY 93				$16,024				$16,024
FY 92	Public Service			$18,000				$18,000
FY 93				$18,000				$18,000
13. Vacancy Savings								
FY 92	All Programs	($330,386)	($356,876)	($113,957)	($54,272)	($48,375)	($78,515)	($982,381)
FY 93		($330,386)	($356,876)	($113,957)	($54,272)	($48,375)	($78,515)	($982,381)
TOTAL CURRENT LEVEL ADJUSTMENTS								
FY 92		$3,257,384	$1,501,663	$893,841	$573,903	$92,176	$629,241	$6,948,208
FY 93		$3,191,720	$1,628,324	$771,733	$579,689	$92,482	$629,857	$6,893,805
1993 BIENNIUM TOTAL		$6,449,104	$3,129,987	$1,665,574	$1,153,592	$184,658	$1,259,098	$13,842,013

1. Arbitrated Salaries - The legislature funded salary increases from the 1991 biennium achieved through an arbitration agreement. This agreement provided a 2.5 percent annual increase and a 1.0 percent merit pool each year of the 1991 biennium. This increase was not funded by the 1989 legislature, but was added to the personal services base by the 1991 legislature. The average faculty salary used in formula calculations and on Table 1 reflects the salary arbitration agreement.

2. NSF Math Grant Match - One million dollars general fund was approved for use as state matching funds for a National Science Foundation math grant to develop a new method of teaching mathematics to high school students. The appropriation was established at Montana State University but is intended for use at all campuses. An additional $1.0 million annually will be required as a state match in fiscal years 1994-1997. The total grant from the National Science Foundation is $9.9 million.

3. Nursing Expansion - With the approved program expansion, the Montana State University School of Nursing will hire sufficient faculty at its Missoula campus to accommodate 30 additional students in the "pipeline" from fiscal 1991 levels.

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4. NMC-Great Falls Campus - The legislature increased budgeted enrollment by 72 students at Northern Montana College to allow for actual enrollment increases at the Great Falls campus. This adjustment impacted the instruction and support programs and added $306,732 in fiscal 1992 and $306,804 in fiscal 1993.

5. Accreditation Needs - Several of the campus' accreditation needs were addressed by the legislature through the following biennial adjustments: 1) $1,564,503 for MSU's engineering program; 2) $398,802 for UM's pharmacy school; 3) $695,653 for EMC's education program; and 4) $890,784 for MCMST's engineering program. These amounts were added to the base budgets.

6. Liability Insurance Premium Increases - The legislature added the net change in liability insurance premiums from fiscal 1988 to fiscal years 1992 and 1993 paid to the Tort Claims Division of the Department of Administration. This resulted in a small decrease at Montana State University and increases at the five remaining units, for an overall cost increase totaling $442,625 in the 1993 biennium.

7. Disability Services - The legislature approved additional funding at the University of Montana ($198,768) and Eastern Montana College ($132,840) to address the need to improve educational services to disabled students.

8. Museum of the Rockies - The legislature approved $150,000 annually for general support of the Museum of the Rockies.

9. Public Television - The University of Montana and Montana State University received a total of $480,000 in the 1993 biennium for the support and enhancement of public television services in Montana.

10. Montana Repertory Theatre - The legislature approved $90,000 annually for the transformation of the Montana Repertory Theatre at the University of Montana into a "Cultural Extension Service". The additional funds will enable the Repertory Theatre to perform and teach "in residence" at each of the units of the university system. This increased support will be an on-going part of the base operating budget for the University of Montana.

11. Yellow Bay Research Center - The legislature added 1.0 FTE faculty and equipment each year of the 1993 biennium at an annual cost of $92,000. This increased support will be an on-going part of the base operating budget for the University of Montana.

12. Additional Program Support - The legislature added $20,000 general fund in the 1993 biennium to the Physical Plant program at Eastern Montana College for utilities expense at Apsaruke Hall and $16,527 general fund in the 1993 biennium for a special improvement district assessment from the city of Billings. The amount needed by EMC for SID payments in future biennia is expected to decline continually until the SID is paid off in 2006. The legislature also allowed an adjustment to the personal services cost in the Public Service program at Eastern Montana College. Eighteen thousand dollars were added annually to the fiscal 1991 legislative personal services appropriation because the campus transferred operating expenses into personal services in fiscal 1990 due to a realignment of expenditures.

13. Vacancy Savings - Two percent vacancy savings was applied to non-faculty positions in the Instruction and Support programs and four percent vacancy savings was applied to all positions in the Research, Public Service, and Physical Plant programs for a total savings of $1,964,762 in the 1993 biennium. No vacancy savings was applied to faculty positions.

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Expenditure Summary

Table 4 shows the budgeted expenditures by budget program for each campus in the 1993 biennium.

Personal Services Line-Item

Table 3 shows the personal services line item by program by campus for each year of the 1993 biennium. The Instruction program includes faculty compensation only. The instructional support component of the Instruction program and the Support program are not included in this table because those costs are derived from a flat rate per student. However, the legislature included "boilerplate" language specifying that the Instruction and Support programs' personal services line item is to equal the personal services identified in the original regents' approved operating budget each year, and for the Instruction program, the personal services line item shall also be no less than the faculty compensation amount identified below in Table 3.

Table 3
Personal Services Line Item
Montana University System - Six Units

Fiscal Year 1992	MSU	UM	EMC	NMC	WMCUM	MCMST	TOTAL
Instruction Program							
Faculty Compensation	$24,841,984	$20,473,308	$6,945,181	$3,942,171	$2,209,997	$4,338,810	$62,751,451
Research Program	417,093	457,706	0	0	0	32,033	906,832
Public Service Program	9,362	222,600	201,216	0	0	0	433,178
Plant Program	1,888,789	2,615,618	652,917	457,952	517,228	869,893	7,002,397
Total	$27,157,228	$23,769,232	$7,799,314	$4,400,123	$2,727,225	$5,240,736	$71,093,858
Fiscal Year 1993							
Instruction Program							
Faculty Compensation	$25,397,867	$20,473,308	$6,945,181	$3,942,171	$2,209,997	$4,338,810	$63,307,334
Research Program	417,093	457,706	0	0	0	32,033	906,832
Public Service Program	9,362	222,600	201,216	0	0	0	433,178
Plant Program	1,888,789	2,615,618	652,917	457,952	517,227	869,893	7,002,396
Total	$27,713,111	$23,769,232	$7,799,314	$4,400,123	$2,727,224	$5,240,736	$71,649,740

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Budget Modifications

Modification Type	Executive FTE FY92	Executive FTE FY93	Executive G. Fund 92-93	Executive Total 92-93	Legislature FTE FY92	Legislature FTE FY93	Legislature G. Fund 92-93	Legislature Total 92-93
1) Regents Emp. Reporting System								
MSU	0.83	0.83	$57,160	$57,160	0.83	0.83	$57,160	$57,160
UM	0.72	0.72	$51,532	$51,532	0.72	0.72	$51,532	$51,532
EMC	0.36	0.36	$29,216	$29,216	0.36	0.36	$29,216	$29,216
NMC	0.31	0.31	$18,100	$18,100	0.31	0.31	$18,100	$18,100
WMCUM	0.30	0.30	$17,730	$17,730	0.30	0.30	$17,730	$17,730
MCMST	0.30	0.30	$17,986	$17,986	0.30	0.30	$17,986	$17,986
Subtotal Modification	2.82	2.82	$191,724	$191,724	2.82	2.82	$191,724	$191,724
2) Minimum Wage Increase								
MSU							$150,464	$150,464
UM							$147,480	$147,480
EMC							$71,126	$71,126
NMC							$79,460	$79,460
WMCUM							$77,014	$77,014
MCMST							$70,082	$70,082
Subtotal Modification							$595,626	$595,626
3) Library Books								
MSU							$321,683	$321,683
UM							$281,715	$281,715
EMC							$112,965	$112,965
NMC							$53,234	$53,234
WMCUM							$31,158	$31,158
MCMST							$51,805	$51,805
Subtotal Modification							$852,560	$852,560
4) Bureau of Business & Economic Research-UM							$30,000	$30,000
Total	2.82	2.82	$191,724	$191,724	2.82	2.82	$1,669,910	$1,669,910

1) Regents Employee Reporting System - The 1989 legislature enacted House Bill 26 requiring the development of a centralized personnel reporting system for the university system and vocational-technical centers. Implementation of the system is expected by

July 1, 1991. The budget includes 2.82 FTE each year and $191,724 in the 1993 biennium for the six university units to provide information to the centralized system.

2) Minimum Wage Increase - This budget modification provides $595,626 general fund in the 1993 biennium for the six university units to continue to provide the same level of employment opportunities to students while increasing the hourly rate to the federal minimum wage level.

3) Library Book Acquisitions - The budget includes $852,560 general fund in fiscal 1992 for the six university units to increase library material acquisitions.

4) Bureau of Business & Economic Research-UM - This budget modification provides $30,000 general fund in the 1993 biennium for the Bureau of Business and Economic Research at the University to continue its economic forecasting program and publications. This program was formerly funded by a grant from US West.

Funding

The current unrestricted budget of the university system is funded from state sources (general fund and a six-mill statewide property tax levy), student tuition and fees, and other miscellaneous sources. General fund has increased faster between fiscal 1990 and 1992 than the overall expenditure increase because other revenues have declined, have been redirected for other uses, or are no longer available. The statewide six mill levy revenue is expected to decrease 1.4 percent from fiscal 1990 to 1992 and then increase 2.1 percent from fiscal 1992 to 1993. The 1989 legislature authorized the campuses to retain 100 percent of indirect cost reimbursements received by the university system for research grants and contracts beginning in fiscal 1991. In fiscal 1990, indirect cost reimbursements deposited to the current unrestricted fund totaled $1,213,672. Finally, interest earnings from the education trust were received in fiscal 1990 but are no longer available as the education trust fund principal has been spent.

Tuition revenue is budgeted to increase 3.9 percent from fiscal 1990 to 1992 because of higher budgeted enrollment. No tuition rate increase is included in the budget.

The Board of Regents establish tuition and fee rates for the university system. At the May 1991 Board of Regents meeting, the Commissioner of Higher Education recommended annual resident tuition and other fees for a full-time student be increased approximately 6.6 percent from fiscal 1991 to 1992 and an additional 2.8 percent in fiscal 1993. Annual tuition and other fees for non-resident full-time student were proposed to increase 13.5 percent in fiscal 1992 and 6.3 percent increase in fiscal 1993. The Board of Regents will make a final decision on these proposed increases at its June 1991 meeting.

The proposed increases include a new mandatory, $1 per credit hour equipment fee which will be deposited in a current designated account and used for capital equipment purchases and replacement. This fee is in addition to the tuition and fees used to fund the base operating budget and is estimated to generate approximately $1.1 million annually in the 1993 biennium. The legislature provides "blanket" appropriation approval for designated funds contingent upon the Board of Regents approval of a comprehensive program budget by October 1 each fiscal year.

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The estimated additional revenue from just the proposed **tuition** increase is $2.3 million in fiscal 1992 and $3.8 million in fiscal 1993. The pay plan bill authorizes $1.16 million in fiscal 1992 and $1.904 million in fiscal 1993 of the pay plan cost to be funded from increased tuition. The university system will need to obtain appropriation authority to spend the remaining revenue (approximately $1.14 million in fiscal 1992 and $1.896 million in fiscal 1993) through a properly certified and approved budget amendment.

Other revenue includes federal administrative allowances for student aid programs and miscellaneous fees and charges. The budget is based on actual fiscal 1990 collections of these other revenue sources.

Table 4 on the following page details the revenue sources by campus for each year of the 1993 biennium. Tuition supports approximately 23.0 percent of the total current unrestricted budget, while the state general fund supports approximately 68.0 percent and the state six mill levy contributes approximately 9.0 percent.

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Table 4
Summary of Budgeted Expenditures and Funding Sources
1993 Biennium

Fiscal 1992	MSU	UM	EMC	NMC	WMCUM	MCMST	TOTAL	Percent of Total
Program								
Instruction	$31,085,324	$24,636,275	$8,212,798	$4,516,607	$2,558,778	$5,453,251	$76,463,033	55.23%
Support	14,183,595	12,542,064	5,360,582	2,651,011	1,594,857	2,893,015	39,225,124	28.34%
Research	594,926	661,517	0	0	0	41,300	1,297,743	0.94%
Public Service	260,362	306,560	253,236	8,891	0	0	829,049	0.60%
Physical Plant	5,978,306	5,476,334	2,205,127	1,166,288	738,270	1,545,483	17,109,808	12.36%
Scholarships & Fellow.	1,327,730	1,228,074	382,715	278,375	89,683	201,561	3,508,138	2.53%
Total Costs	$53,430,243	$44,850,824	$16,414,458	$8,621,172	$4,981,588	$10,134,610	$138,432,895	100.00%
Funding								
General Fund	$36,746,398	$29,171,950	$10,934,381	$6,129,327	$3,510,850	$7,429,174	$93,922,080	67.85%
Tuition & Fees	11,914,050	11,557,412	3,854,957	1,727,379	1,035,137	1,909,530	31,998,465	23.11%
6 Mill Levy	4,458,851	4,012,172	1,567,116	738,703	409,768	700,390	11,887,000	8.59%
Other	310,944	109,290	58,004	25,763	25,833	95,516	625,350	0.45%
Total Funds	$53,430,243	$44,850,824	$16,414,458	$8,621,172	$4,981,588	$10,134,610	$138,432,895	100.00%
Fiscal 1993								
Program								
Instruction	$30,924,917	$24,652,839	$8,099,884	$4,516,607	$2,559,694	$5,454,774	$76,208,715	55.42%
Support	$13,867,610	$12,261,459	$5,200,777	$2,562,511	$1,522,951	$2,801,243	38,216,551	27.79%
Research	594,947	632,053	0	0	0	41,415	1,268,415	0.92%
Public Service	360,362	426,596	254,033	8,891	0	0	1,049,882	0.76%
Physical Plant	6,042,058	5,524,124	2,220,451	1,177,153	743,101	1,557,023	17,263,910	12.55%
Scholarships & Fellow.	1,327,730	1,228,074	382,715	278,375	89,683	201,561	3,508,138	2.55%
Total Costs	$53,117,624	$44,725,145	$16,157,860	$8,543,537	$4,915,429	$10,056,016	$137,515,611	100.00%
Funding								
General Fund	$36,342,254	$28,963,915	$10,645,615	$6,036,529	$3,436,280	$7,336,203	$92,760,796	67.45%
Tuition & Fees	11,914,050	11,557,412	3,854,957	1,727,379	1,035,137	1,909,530	31,998,465	23.27%
6 Mill Levy	4,550,376	4,094,528	1,599,285	753,866	418,179	714,766	12,131,000	8.82%
Other	310,944	109,290	58,003	25,763	25,833	95,517	625,350	0.45%
Total Funds	$53,117,624	$44,725,145	$16,157,860	$8,543,537	$4,915,429	$10,056,016	$137,515,611	100.00%

MONTANA UNIVERSITY SYSTEM

Other Legislation

Several bills were enacted by the 52nd legislature that impact the six university units and its affiliated agencies. These bills are listed below and discussed in detail following the table. The appropriations contained in these bills are in addition to the base operating budget contained in House Bill No. 2.

	Fiscal 1992			Fiscal 1993		
Bill No./Description	FTE	General Fund	Total Funds	FTE	General Fund	Total Funds
HB 684 - Clean Fuels Information			$500,000			
HB 5 - Capital Construction			61,752,050			
HB 8 - RIT Grants			168,134			
HB 9 - Cultural & Aesthetic Grants			148,534			
SB 242 - Research/Dev. Project Loans	—	—	4,100,000*	—	—	—
Total	0.0	$0	$66,668,718	0.0	$0	$0

NOTE: All "Other Legislation" appropriations are biennial.
* Research and Development loans contingent upon the loans containing repayment requirements set forth in 90-3-522 and 90-3-524, MCA.

HB 684 - Clean Fuels Information - The legislature approved a $500,000 biennial appropriation from the local impact account (which is funded by 6.65 percent of total coal severance tax collections) to Eastern Montana College to provide funding for a clean fuels information depository, distribution, and market development center. The legislature intends that the center enhance the current technology research and development being conducted in the Montana University System.

HB 5 - Capital Construction - As part of its capital construction program, the legislature approved $38,676,930 from the long range building program funds and bond proceeds and $23,075,120 from other funds for Montana University System projects. A total of $54,571,000 is provided for planning and capital construction, $5,981,050 is included for maintenance and improvement projects, and $1,200,000 is included for major equipment purchases.

HB 8 - RIT Grants - The legislature approved three university system projects funded from Resource Indemnity Trust interest totaling $164,134 for the 1993 biennium. These projects include $82,885 to MSU for its reclamation research unit, $45,500 to MSU for trout stream restoration, and $39,749 to the Bureau of Mines for the study of downhole geophysical logging techniques.

MONTANA UNIVERSITY SYSTEM

HB 9 - Cultural and Aesthetic Grants - Six university projects received legislative approval for cultural and aesthetic grant funding in the 1993 biennium. Montana State University will receive a total of $95,534 for four projects impacting its Shakespeare in the Parks program, public television, and the School of Art, and the University of Montana will receive a total of $53,000 for two projects impacting the Montana Repertory Theater and public radio.

SB 242 - Research and Development Project Loans - This legislation directs $4.1 million of the in-state investment fund to be used for research and development project loans as follows: 1) $600,000 to meet state matching fund requirements for the National Science Foundation awards to the Center for Interfacial Microbial Process Engineering; and 2) $3.5 million for loans relating to but not limited to the Centers of Excellence program and the Montana Entrepreneurial Center and to meet state matching fund requirements for the National Science Foundation's Experimental Program to Stimulate Competitive Research (EPSCOR). The bill requires these loans to contain the repayment requirements set forth in 90-3-522 and 90-3-524, MCA. Section 11 of the bill also requires to Board of Regents to conduct an assessment of its intellectual property management system programs and policies and, based on the assessment, consider the adoption of a system of intellectual property management that will provide a coordinated and effective method of meeting payback requirements for these loans. A final report and recommendation for intellectual property management must be presented to the Montana Board of Science and Technology Development by January 1, 1992.

HB 454 - Boilerplate Bill - This bill does not provide an appropriation but contains a provision which will have significant impact on the university system. Section 6 exempts the six university units, experiment stations, and vocational technical centers from reverting unused appropriations to the general fund at the end of the fiscal year. Instead, any unused funds are to be deposited to an account held by the Board of Regents for use in accordance with a long-term plan approved by the Board of Regents for major and deferred maintenance expenditures and equipment or fixed asset purchases. The Board of Regents are directed to communicate the plan to each legislature, to the legislative finance committee when requested, and to the office of budget and program planning.

AGRICULTURAL EXPERIMENT STATION

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	259.67	259.67	260.67	1.00	259.67	262.67	3.00	1.00
Personal Services	7,525,972	7,923,964	8,066,661	142,697	7,923,964	8,090,498	166,534	7.18%
Operating Expenses	1,472,406	1,502,177	1,529,508	27,331	1,483,387	1,525,835	42,448	3.88%
Equipment	127,594	144,000	258,633	114,633	129,000	243,633	114,633	102.70%
Debt Service	306	0	0	0	0	0	0	-100.00%
Total Costs	$9,126,278	$9,570,141	$9,854,802	$284,661	$9,536,351	$9,859,966	$323,615	7.98%
Fund Sources								
General Fund	6,735,143	7,134,631	7,338,082	203,451	7,115,890	7,358,615	242,725	8.95%
Sales/Service Revenue	685,002	729,375	714,344	(15,031)	714,326	699,295	(15,031)	4.28%
Federal Regional Research	562,403	562,405	584,506	22,101	562,405	584,506	22,101	3.93%
Federal Hatch Act	1,143,730	1,143,730	1,217,870	74,140	1,143,730	1,217,550	73,820	6.48%
Total Funds	$9,126,278	$9,570,141	$9,854,802	$284,661	$9,536,351	$9,859,966	$323,615	7.98%

Agency Description

The Montana Agricultural Experiment Station (MAES) was established at Montana State University by the legislature in 1893 under Hatch Act authorization enacted by the U.S. Congress. Its mission, as provided in Section 20-25-222, MCA, is to conduct research relating to agriculture, natural resources, and rural life and to distribute the resulting information among the people of Montana. The MAES is the agricultural research component of the land-grant university's three-part mission of teaching, research, and service.

The goal of the MAES is to enhance the social and economic well-being of the state, national, and international communities through research programs addressing problems facing crop and livestock producers and consumers of agricultural products. Research is conducted to improve the competitive position of Montana farmers and ranchers; to ensure the safety, wholesomeness, and cost-effectiveness of agricultural production; and to develop agricultural techniques applicable to semi-arid and intermountain regions throughout the world.

Budget

The budget increases 8 percent due to: 1) continuing fiscal 1991 pay increases and arbitrated salary increases from the 1991 biennium in the personal services base for the 1993 biennium; 2) providing inflationary adjustments in operating expenses; 3) increasing

AGRICULTURAL EXPERIMENT STATION

equipment; and 4) the budget modification approved by the legislature. These increases were offset $163,669 in fiscal 1992 and $166,495 in fiscal 1993 due to 4 percent personal services reductions for non-faculty personnel.

The pay plan increase for fiscal 1992 and fiscal 1993 (House Bill 509) is not included in the table above or in the program tables. In volume I of this report in the "Pay Plan" section is a description of the pay plan increase and a table showing allocations to each agency.

Budget Modification

	Executive				Legislative			
Modification Type	FTE FY92	FTE FY93	G. Fund 92-93	Total 92-93	FTE FY92	FTE FY93	G. Fund 92-93	Total 92-93
1) Biological Weed Control	0.0	0.0	$0	$0	1.00	2.00	$140,572	$140,572

Funding

The MAES is funded from general fund, sales and service revenue, and federal funds. Federal revenue estimates reflect fiscal 1991 grant award amounts less a portion for the personal services reduction.

Other Legislation

	Fiscal 1992			Fiscal 1993		
Bill No./Description	FTE	General Fund	Total Funds	FTE	General Fund	Total Funds
HB 365* - Applied Genetic Engineering	0.0	$60,000	$60,000	0.0	$0	$0

* Biennial Appropriation

HB 365 - Applied Genetic Engineering - The legislature approved a $60,000 biennial general fund appropriation to provide additional support for applied genetic engineering technology research and development to enhance Montana agricultural products. The bill stipulates that no administrative or other indirect costs may be funded by this appropriation.

AGRICULTURAL EXPERIMENT STATION

SB 123 - Noxious Weed Trust Fund Grants - This bill does not contain a specific appropriation; however, it authorizes grants to the Agricultural Experiment Station and the Cooperative Extension Service for crop weed management research, evaluation, and education as an allowable use of the noxious weed management trust fund. The legislation requires the experiment station and the extension service to submit annual reports on current projects and future plans to the noxious weed management advisory council.

ORGANIZED RESEARCH

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	243.00	243.00	244.00	1.00	243.00	246.00	3.00	1.00
Personal Services	7,171,689	7,548,180	7,705,908	157,728	7,548,180	7,729,745	181,565	7.45%
Operating Expenses	1,468,586	1,491,586	1,518,917	27,331	1,472,845	1,515,293	42,448	3.43%
Equipment	125,694	126,000	240,633	114,633	126,000	240,633	114,633	91.44%
Debt Service	306							-100.00%
Total Costs	$8,766,275	$9,165,766	$9,465,458	$299,692	$9,147,025	$9,485,671	$338,646	7.98%
Fund Sources								
General Fund	6,735,143	7,134,631	7,338,082	203,451	7,115,890	7,358,615	242,725	8.95%
Sales/Service Revenue	324,999	325,000	325,000	0	325,000	325,000	0	0.00%
Federal Regional Research	562,403	562,405	584,506	22,101	562,405	584,506	22,101	3.93%
Federal Hatch Act	1,143,730	1,143,730	1,217,870	74,140	1,143,730	1,217,550	73,820	6.48%
Total Funds	$8,766,275	$9,165,766	$9,465,458	$299,692	$9,147,025	$9,485,671	$338,646	7.98%

Program Description

The Montana Agricultural Experiment Station research program includes fourteen academic departments, service divisions, and laboratories located at Bozeman and seven Agricultural Research Centers located around the state. Considerable research activity is also conducted using the land and facilities of private Montana farmers and ranchers.

Research projects relating to agricultural activities and other uses of natural resources are undertaken to enhance knowledge of the social, environmental, and economic impacts of agricultural production activities and policies; to make research findings useful in their applications to the problems and choices facing the state; and to disseminate research findings in an understandable manner to other scientists and private citizens.

Budget

The budget increases 8 percent from fiscal 1990 to 1992 due primarily to salary and health insurance increases allowed in fiscal 1991 and continued into the 1993 biennium and arbitrated salary increases during the 1991 biennium which exceeded legislative funding levels. This arbitration adjustment adds $260,314 annually to the personal services base in the 1993 biennium. The legislature applied a four percent personal services reduction to non-faculty, resulting in a $148,638 reduction in fiscal 1992 and $151,464 reduction in fiscal 1993.

ORGANIZED RESEARCH

Operating costs are included at approximately the fiscal 1990 level with adjustments for inflation ($26,528 in fiscal 1992 and $27,077 in fiscal 1993), increased insurance costs from the fiscal 1990 actual level ($1,244 in fiscal 1992 and $2,250 in fiscal 1993), and increased recharges from Montana State University ($10,009 annual increase). Equipment is funded at $240,633 annually for new and replacement scientific equipment.

Budget Modifications

	Executive				Legislative			
Modification Type	FTE FY92	FTE FY93	G. Fund 92-93	Total 92-93	FTE FY92	FTE FY93	G. Fund 92-93	Total 92-93
1) Biological Weed Control	0.0	0.0	$0	$0	1.00	2.00	$140,572	$140,572

1) Biological Weed Control - This budget modification would allow additional and more rapid development and use of plant pathogens as biological control agents for a variety of weed pests that impact field crops. The modification includes 1.0 FTE faculty in fiscal 1992 and 2.0 FTE (1.0 FTE faculty and 1.0 FTE lab assistant) in fiscal 1993 and a total of $140,572 general fund in the 1993 biennium.

Funding

The MAES is funded from the general fund, sales and service revenue, and federal funds. The budget projects expenditures funded from sales and service revenue to remain at the fiscal 1990 level. Federal regional research funds are budgeted to increase 3.9 percent from fiscal years 1990 to 1992 and other Hatch Act funds will increase 6.5 percent. These estimates are based upon federal fiscal year 1991 grant amounts less approximately $18,000 annually for the personal services reduction. General fund is projected to increase approximately 9.0 percent from fiscal 1990 to 1992.

LIVESTOCK AND RANGE RESEARCH STATION

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	16.67	16.67	16.67	0.00	16.67	16.67	0.00	0.00
Personal Services	354,283	375,784	360,753	(15,031)	375,784	360,753	(15,031)	1.83%
Operating Expenses	3,820	10,591	10,591	0	10,542	10,542	0	177.25%
Equipment	1,900	18,000	18,000	0	3,000	3,000	0	847.37%
Debt Service	0							
Total Costs	$360,003	$404,375	$389,344	($15,031)	$389,326	$374,295	($15,031)	8.15%
Fund Sources								
Sales/Service Revenue	360,003	404,375	389,344	(15,031)	389,326	374,295	(15,031)	8.15%
Total Funds	$360,003	$404,375	$389,344	($15,031)	$389,326	$374,295	($15,031)	8.15%

Program Description

The United States Department of Agriculture, Agricultural Research Service Fort Keogh Livestock and Range Research Laboratory at Miles City is a cooperative program of the United States Department of Agriculture and the state through the Montana Agricultural Experiment Station. The purpose of the laboratory is to improve efficiency of livestock production from rangeland resources in the Northern Great Plains. The research program emphasizes finding solutions to immediate and anticipated problems of farmers and ranchers in the region and throughout the nation. A combination of high technology and adaptive interdisciplinary approaches are used to study range development, improvement, and management; range-forage nutrition; and growth, reproduction, and genetics of beef cattle.

Budget

The fiscal 1992 budget increases 8.2 percent from fiscal 1990 due to increased operating expenses and equipment funding in fiscal 1992. Operating costs increase in fiscal 1992 to reflect normal operating levels. Funding is included to replace a pickup truck in fiscal 1992 and to purchase one horse each year of the 1993 biennium. The budget reflects a four percent personal services reduction for this program.

Funding

The Livestock and Range Research Station is funded from cattle sales revenue.

COOPERATIVE EXTENSION SERVICE

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	115.77	115.77	116.73	0.96	115.77	116.64	0.87	0.96
Personal Services	3,744,822	3,988,347	4,150,074	161,727	3,988,347	4,146,417	158,070	10.82%
Operating Expenses	513,623	518,827	527,965	9,138	507,715	527,115	19,400	2.79%
Equipment	16,655	20,000	87,312	67,312	20,000	83,812	63,812	424.24%
Debt Service	3,345							-100.00%
Total Costs	$4,278,445	$4,527,174	$4,765,351	$238,177	$4,516,062	$4,757,344	$241,282	11.38%
Fund Sources								
General Fund	2,332,037	2,580,666	2,778,004	197,338	2,569,554	2,769,940	200,386	19.12%
Federal Smith Lever	1,946,408	1,946,508	1,987,347	40,839	1,946,508	1,987,404	40,896	2.10%
Total Funds	$4,278,445	$4,527,174	$4,765,351	$238,177	$4,516,062	$4,757,344	$241,282	11.38%

Agency Description

The Montana Extension Service was established in 1914 as a result of the federal Smith-Lever Act. The Extension Service is dedicated to disseminating and encouraging practical use of research about agricultural production and marketing, human resource development, and home economics.

The Extension Service serves 53 of the 56 counties through 49 county extension offices. It has four area offices, with its main operations being housed in Bozeman on the Montana State University (MSU) campus. Background materials for the Extension Service's educational efforts are developed by: the Extension Service; the Agricultural Experiment Station and other MSU faculty; from research information available through faculty from other public and private universities and colleges; from information provided by researchers and other state and federal agency personnel; and from researchers in the private sector.

Budget

The budget increases 11.4 percent from fiscal 1990 to fiscal 1992 due primarily to increased personal services and equipment costs. The legislature provided a base increase of $176,878 annually for arbitrated salary increases in the 1991 biennium which exceeded the legislative funding level. The legislature also approved an additional 0.96 FTE and $57,500 general fund in fiscal 1992 and 0.87 FTE and $49,500 general fund in fiscal 1993 to expand the forestry extension program. These personal services increases were offset $55,791 in fiscal 1992 and $55,638 in fiscal 1993 by a four percent personal services reduction applied to non-faculty personnel.

COOPERATIVE EXTENSION SERVICE

The pay plan increase for fiscal 1992 and fiscal 1993 (House Bill 509) is not included in the table above. In volume I of this report in the "Pay Plan" section is a description of the pay plan increase and a table showing allocations to each agency.

Operating costs are maintained at approximately the fiscal 1990 level, with some inflationary increases. Equipment is funded at $87,312 in fiscal 1992 and $83,812 in fiscal 1993, a significant increase from historical expenditure levels, which will allow the agency to address computer and educational equipment needs.

Funding

The Extension Service is funded from federal Smith Lever funds and from general fund. Both revenue sources are deposited into the current unrestricted fund. Federal funds are budgeted at approximately $1,987,000 each year of the 1993 biennium which is the federal fiscal year 1991 grant award less the federal share of the personal services reduction. General fund is included at $2,778,004 in fiscal 1992 and $2,769,940 in fiscal 1993.

Other Legislation

HB 906 - Forestry Extension - The legislature increased fire hazard reduction agreement fees and master fire hazard reduction agreement fees for the purpose of funding forestry cooperative extension programs. These fees will be collected by the Department of State Lands and deposited to a **current restricted** account for use by the Montana University system to fund forestry services through the Montana Cooperative Extension Service. The bill further stipulates that the use of the funds in the current restricted account is contingent upon the university system funding the extension service's forestry and natural resource program at a biennial level of at least $108,000 from sources other than the funds deposited into the current restricted account.

FORESTRY & CONSERVATION EXPERIMENT STATION

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	16.09	16.09	16.09	0.00	16.09	16.09	0.00	0.00
Personal Services	507,491	547,721	569,108	21,387	547,721	569,108	21,387	12.14%
Operating Expenses	137,060	128,943	129,030	87	129,347	129,832	485	-5.86%
Equipment	3,750	13,000	13,000	0	13,000	13,000	0	246.67%
Total Costs	$648,301	$689,664	$711,138	$21,474	$690,068	$711,940	$21,872	9.69%
Fund Sources								
General Fund	$648,301	$689,664	$711,138	$21,474	$690,068	$711,940	$21,872	9.69%
Total Funds	$648,301	$689,664	$711,138	$21,474	$690,068	$711,940	$21,872	9.69%

Agency Description

The Montana Forest and Conservation Experiment Station was established by the Montana legislature in 1937 as a non-profit organization devoted to the scientific investigation of natural resource problems. The station serves as the research unit of the University of Montana School of Forestry with the Dean of the School of Forestry functioning as the station director.

The Montana Forest and Conservation Experiment Station's purposes include the study of relationships between forests and other dimensions of the environment, the discovery of ways to improve the products of forest lands, and the completion and publication of reports about forestry research. Research is carried on at Lubrecht Experimental Forest and at other locations in Montana in cooperation with private, state, and federal agencies.

Budget

The experiment station's budget increases 9.7 percent from fiscal 1990 to 1992 due to increases in personal service and equipment costs. Personal services increase 12.1 percent because: 1) the fiscal 1991 pay plan increase continues into the 1993 biennium; and 2) the legislature has included arbitrated salary increases exceeding the 1991 biennium legislative funding level in the personal services base for the 1993 biennium. This arbitration adjustment adds $21,387 annually to personal services costs. Fiscal year 1990 operating expenses were approximately $10,500 higher than appropriated in the 1989 session. Base operating expenditures are returned to the fiscal 1990 appropriated level. Inflationary adjustments of $2,554 in fiscal 1992 and $3,320 in fiscal 1993, and university recharges of $26,863 are included each year of the 1993 biennium.

FORESTRY & CONSERVATION EXPERIMENT STATION

The pay plan increase for fiscal 1992 and fiscal 1993 (House Bill 509) is not included in the table above. In volume I of this report in the "Pay Plan" section is a description of the pay plan increase and a table showing allocations to each agency.

Equipment is funded at $13,000 per year which is the agency's request.

BUREAU OF MINES

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	26.82	26.82	26.82	0.00	26.82	26.82	0.00	0.00
Personal Services	955,119	1,013,566	958,180	(55,386)	1,013,566	958,180	(55,386)	0.32%
Operating Expenses	348,696	331,925	348,223	16,298	332,130	349,115	16,985	-0.14%
Equipment	19,946	28,500	28,500	0	28,500	28,500	0	42.89%
Debt Service	3,400							-100.00%
Total Costs	$1,327,161	$1,373,991	$1,334,903	($39,088)	$1,374,196	$1,335,795	($38,401)	0.58%
Fund Sources								
General Fund	1,283,425	1,330,255	1,288,493	(41,762)	1,330,460	1,289,384	(41,076)	0.39%
Current Unrestricted	43,736	43,736	46,410	2,674	43,736	46,411	2,675	6.11%
Total Funds	$1,327,161	$1,373,991	$1,334,903	($39,088)	$1,374,196	$1,335,795	($38,401)	0.58%

Program Description

The Bureau of Mines and Geology is a public service and research agency at the Montana College of Mineral Science and Technology in Butte. The bureau is charged with promoting the effective use of mineral resources through investigation of their geology, production, treatment, and economics. It disseminates information through publications and replies to individual inquiries. The bureau's work includes field and laboratory study, collection of samples and information, interpretation of data, and compilation of statistics on all mineral resources--metallic and non-metallic minerals, fuels, and groundwater. Projects are undertaken in cooperation with the U.S. Geological Survey, the U.S. Bureau of Mines, and other agencies.

Budget

The budget increases less than one percent from fiscal 1990 to 1992. The legislature provided a base increase of $12,833 annually for arbitrated salary increases in the 1991 biennium which exceeded the legislative funding level. However, the legislature reduced the personal services budget $31,425, to reflect a four percent vacancy savings rate for non-faculty. Operating costs are included at approximately the fiscal 1990 level. Equipment expenditures are budgeted at $28,500 annually which reflects the agency's request.

The pay plan increase for fiscal 1992 and fiscal 1993 (House Bill 509) is not included in the table above. In volume I of this report in the "Pay Plan" section is a description of the pay plan increase and a table showing allocations to each agency.

BUREAU OF MINES

Funding

The Bureau of Mines is funded from revenue derived from the sale of maps and publications and from the state general fund. Sales revenue is included at approximately $46,410 annually in the 1993 biennium. For the past several years, the bureau has not met its $53,000 sales revenue target set during the legislative budget hearings. The amount budgeted in the 1993 biennium represents the average of the actual revenue collections in fiscal years 1988, 1989, and 1990 adjusted for inflation and a portion of the 4 percent personal services reduction in the 1993 biennium. General fund increases .39 percent from fiscal 1990 to 1992.

SCHOOL FOR THE DEAF & BLIND

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	84.54	86.15	85.38	.77-	86.15	85.38	.77-	.84
Personal Services	2,233,991	2,444,325	2,419,963	24,362-	2,443,454	2,416,120	27,334-	8.32%
Operating Expenses	449,139	488,807	493,046	4,239	493,587	480,971	12,616-	9.78%
Equipment	9,109	10,921	34,602	23,681	10,921	12,125	1,204	279.87%
Debt Service	19,857	7,900	7,900	0	7,900	7,900	0	-60.22%
Total Costs	$2,712,096	$2,951,953	$2,955,511	$3,558	$2,955,862	$2,917,116	$38,746-	8.98%
Fund Sources								
General Fund	2,367,330	2,623,324	2,620,029	3,295-	2,622,323	2,581,669	40,654-	10.67%
State Revenue Fund	160,043	162,429	170,000	7,571	167,339	170,000	2,661	6.22%
Federal Revenue Fund	184,723	166,200	165,482	718-	166,200	165,447	753-	-10.42%
Total Funds	$2,712,096	$2,951,953	$2,955,511	$3,558	$2,955,862	$2,917,116	$38,746-	8.98%

Agency Description

The purpose of the Montana School for the Deaf and Blind is to provide an ordinary public school education for its students by use of specialized methods and to teach trades and vocations that will enable students attending the school to become independent and self-sustaining citizens. Authority for the school is contained in Title 20, Chapter 8, Part 1, MCA. A maximum of 80 children and adolescents reside on campus throughout the school year. To attend the school, students must be diagnosed as being deaf and/or blind or must have such a significant hearing or sight impairment that they are unable to receive a proper education in the public schools of the state. Additionally, the school provides for a minimum of 50 day students from the Great Falls area and serves over 250 students statewide through a resource consultant program.

Budget

The pay plan increase for fiscal 1992 and fiscal 1993 (HB 509) is not included in the table above or in the program tables. In volume I of this report in the "Pay Plan" section is a description of the pay plan increase and a table showing allocations to each agency.

The legislature implemented a 4 percent reduction in funding for personal services for the Administration, General Services, and Student Services programs in fiscal 1992 and 1993. The personal services budget for the Education program is full funded. Funding sources at the agency level were reduced in proportion to the total personal services at the program level.

SCHOOL FOR THE DEAF & BLIND

The budget for School for the Deaf and Blind increases 9.0 percent from fiscal 1990 to fiscal 1992.

Despite the 4 percent vacancy savings applied to all programs except Education, personal services increase 8.3 percent due to: 1) vacancy savings which occurred in 1990 and are not budgeted in the 1993 biennium; 2) the continuation of the fiscal 1991 pay plan increase in the 1993 biennium; 3) the addition of 0.84 FTE for a teacher supervisor position; 4) salary increases for exempt positions above the pay plan increase of the last biennium; and 5) salary adjustments to teacher positions based upon negotiated agreements for education levels and teacher experience.

Operations increase 9.8 percent from fiscal 1990 to fiscal 1992 due to: 1) inflationary adjustments primarily for food and utilities of $14,600; 2) increased audit costs of $19,230; and 3) increases for students to travel home nine times per year ($15,800). Offsetting deductions include reduced consultant and legal services of $4,100.

Equipment for fiscal 1992 includes: $21,000 for a 15-passenger van and $13,602 for office, household, and education equipment needs. For fiscal 1993, $12,125 is included for various office, household, and education equipment needs.

Debt service declines in fiscal 1992 due to completion of lease purchase payments on the telephone system. The $7,900 remaining in debt service is for a bus acquired last biennium by lease purchase.

Budget Modification

	Executive				Legislature			
Modification Type	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93
1) Supervising Teacher	0.84	0.84	$66,505	$66,505	0.84	0.84	$66,505	$66,505

A description of this modification is included in the program narrative.

Funding

Funding for the School for the Deaf and Blind is over 88.0 percent general fund which bears the majority of the budget increase. Other sources include school trust interest and income, federal school lunch funds, and federal Chapter I special education funds.

ADMINISTRATION PROGRAM

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	5.00	5.00	5.00	.00	5.00	5.00	.00	.00
Personal Services	159,414	158,282	160,683	2,401	157,369	160,478	3,109	.80%
Operating Expenses	40,863	42,580	57,161	14,581	43,452	37,844	5,608-	39.88%
Equipment	972	0	570	570	0	0	0	-41.36%
Debt Service	11,957	0	0	0	0	0	0	-100.00%
Total Costs	$213,206	$200,862	$218,414	$17,552	$200,821	$198,322	$2,499-	2.44%
Fund Sources								
General Fund	213,206	200,862	218,414	17,552	200,821	198,322	2,499-	2.44%
Total Funds	$213,206	$200,862	$218,414	$17,552	$200,821	$198,322	$2,499-	2.44%

Program Description

The Administration program staff provide purchasing, accounting, and personnel functions and management of business affairs for the school.

Budget

Salary increases approved by the Board of Public Education for exempt positions in fiscal year 1990 caused personal services costs to exceed the amounts appropriated for personal services by the Fifty-first Legislature by $8,400. This difference was made up by a program transfer from the general services program. The expenditures for fiscal 1990 in the table include the transfer. The legislative appropriation for fiscal 1992 and 1993 includes the salary levels for the exempt positions as approved by the Board of Public Education for fiscal year 1990. The legislature applied a 4 percent vacancy savings reduction to the personal services budget.

Operating expenses increase 39.9 percent from fiscal 1990 to fiscal 1992 because the legislature budgeted the entire audit costs of $20,529 in the first year of the 1993 biennium, whereas in fiscal 1990 only $1,300 of $17,710 biennial audit costs were actually expended. Other increases include a $1,200 increase in the cost of insurance and bonds. These increases are offset by a $4,100 reduction in consultant and legal services.

Equipment includes $570 in fiscal 1992 to replace two office chairs.

ADMINISTRATION PROGRAM

Debt service payments for lease/purchase of a new telephone system are completed in fiscal year 1991 and are not budgeted for fiscal 1992.

Funding

Funding for the program is 100 percent general fund.

GENERAL SERVICES PROGRAM

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	4.00	4.00	4.00	.00	4.00	4.00	.00	.00
Personal Services	87,688	95,842	92,008	3,834-	96,034	92,193	3,841-	4.93%
Operating Expenses	154,702	147,898	158,298	10,400	147,580	160,851	13,271	2.32%
Equipment	269	0	907	907	0	0	0	237.17%
Total Costs	$242,659	$243,740	$251,213	$7,473	$243,614	$253,044	$9,430	3.53%
Fund Sources								
General Fund	242,659	243,740	251,213	7,473	243,614	253,044	9,430	3.53%
Total Funds	$242,659	$243,740	$251,213	$7,473	$243,614	$253,044	$9,430	3.53%

Program Description

The General Services program staff are responsible for the repair and maintenance of the school's eight buildings and 18.5 acre campus.

Budget

Despite a vacancy savings rate of 4 percent in the 1993 biennium, the personal services budget increases 4.9 percent due to higher vacancy savings in fiscal year 1990 and continuation of the fiscal year 1991 pay plan in the 1993 biennium.

Operating expenses increase by 2.3 percent due to utilities inflationary increases of $5,492 in fiscal year 1992 and $7,993 in fiscal year 1993. Other inflationary increases total $875 for fiscal 1992 and $927 for fiscal 1993. These increases are offset by a $1,980 per year reduction in insurance and bond costs, which will be paid by the Administration program.

Equipment includes $907 to replace office furniture.

Funding

Funding for the program is 100 percent general fund.

STUDENT SERVICES

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	31.13	31.90	31.13	.77-	31.90	31.13	.77-	.00
Personal Services	610,895	693,011	650,778	42,233-	692,563	650,372	42,191-	6.53%
Operating Expenses	127,994	155,511	149,753	5,758-	158,608	152,992	5,616-	17.00%
Equipment	2,586	4,000	25,825	21,825	4,000	4,825	825	898.65%
Debt Service	7,900	7,900	7,900	0	7,900	7,900	0	.00%
Total Costs	$749,375	$860,422	$834,256	$26,166-	$863,071	$816,089	$46,982-	11.33%
Fund Sources								
General Fund	714,349	825,422	799,974	25,448-	828,071	781,842	46,229-	11.99%
Federal Revenue Fund	35,026	35,000	34,282	718-	35,000	34,247	753-	-2.13%
Total Funds	$749,375	$860,422	$834,256	$26,166-	$863,071	$816,089	$46,982-	11.33%

Program Description

The Student Services program provides residential care for a maximum of 80 children living at the school.

Budget

Despite the vacancy savings rate of 4 percent applied for the 1993 biennium, the personal services budget increases by 6.5 percent from fiscal 1990 to fiscal 1992 due to vacancy savings experienced in fiscal 1990 and the continuation of the fiscal 1991 pay plan increase in the 1993 biennium.

Operating expenses increase by 17.0 percent due to inflationary adjustments for food of $5,984 in fiscal year 1992 and $9,151 in fiscal year 1993 and increased travel. The legislature increased the student travel budget by $15,784 per year. The budget includes funds for students to travel home nine times per school year.

Equipment includes $21,000 for a 15-passenger van to transport students and $4,825 per year funds for the replacement of washers and dryers, a dishwasher, and office furniture.

Debt service includes $7,900 per year for lease purchase payments on a bus for the handicapped authorized by the 1989 legislature.

STUDENT SERVICES

Funding

Funding for the program is primarily the state general fund. The federal school lunch program funds $34,282 of food costs in fiscal 1992 and $34,247 in fiscal 1993.

EDUCATION

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	44.41	45.25	45.25	.00	45.25	45.25	.00	.84
Personal Services	1,375,994	1,497,190	1,516,494	19,304	1,497,488	1,513,077	15,589	10.21%
Operating Expenses	125,580	142,818	127,834	14,984-	143,947	129,284	14,663-	1.79%
Equipment	5,282	6,921	7,300	379	6,921	7,300	379	38.21%
Total Costs	$1,506,856	$1,646,929	$1,651,628	$4,699	$1,648,356	$1,649,661	$1,305	9.61%
Fund Sources								
General Fund	1,197,116	1,353,300	1,350,428	2,872-	1,349,817	1,348,461	1,356-	12.81%
State Revenue Fund	160,043	162,429	170,000	7,571	167,339	170,000	2,661	6.22%
Federal Revenue Fund	149,697	131,200	131,200	0	131,200	131,200	0	-12.36%
Total Funds	$1,506,856	$1,646,929	$1,651,628	$4,699	$1,648,356	$1,649,661	$1,305	9.61%

Program Description

The Education Program exists to provide an education for children with a hearing and/or sight loss which prevents them from receiving an adequate education in their hometown school. The program also provides "mainstream" programs for certain students in a joint effort with the Great Falls Public School System.

Budget

Personal services increase 10.2 percent from fiscal 1990 to fiscal 1992 due to: 1) the addition of $13,396 to fund the current configuration of educational attainment and experience of the teaching staff; 2) the addition of one supervising teacher (0.84 FTE) at a fiscal 1992 cost of $33,429; 3) vacancy savings which occurred in fiscal 1990 and is not budgeted in the 1993 biennium; and 4) the continuation of the fiscal 1991 pay plan increase into fiscal 1992.

Operating expenses increase by 1.8 percent due to inflationary adjustments of $2,250 in fiscal year 1992.

The equipment budget includes $7,300 for office and school equipment per fiscal year.

EDUCATION

Budget Modification

	Executive				Legislature			
Modification Type	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93
1) Supervising teacher	0.84	0.84	$66,505	$66,505	0.84	0.84	$66,505	$66,505

1) Supervising Teacher - This modification adds $66,505 general fund for a 0.84 FTE supervising teacher to supervise staff and develop a school-wide curriculum. The Conference of Educational Administrators Serving the Deaf granted provisional accreditation to the Montana School for the Deaf and Blind in fiscal 1990. In granting provisional accreditation, the conference recommended that the school "...aggressively pursue funding to fill...supervising teacher [and]...curriculum specialist...". The Conference staff will reevaluate the school in three years to determine progress made on past recommendations.

Funding

General fund increases 12.8 percent from fiscal 1990 to fiscal 1992 due to adding $38,000 each year to replace declining federal Chapter 1 funds and the budget increases noted above. School trust interest and income funds are appropriated at $170,000 per year, a 6.2 percent increase. Federal Chapter I funds decrease 12.4 percent from fiscal 1990 to 1992 because of declining federal appropriations and changes in method of distribution of Chapter I funds between the School for the Deaf and Blind and local school districts.

MONTANA COUNCIL ON VOCATIONAL EDUCATION

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	2.50	2.50	2.50	.00	2.50	2.50	.00	.00
Personal Services	73,214	79,467	82,192	2,725	79,479	82,204	2,725	12.26%
Operating Expenses	54,002	87,190	86,990	200-	87,294	82,946	4,348-	61.09%
Equipment	475	0	500	500	0	500	500	5.26%
Total Costs	$127,691	$166,657	$169,682	$3,025	$166,773	$165,650	$1,123-	32.88%
Fund Sources								
Federal Revenue Fund	127,691	166,657	169,682	3,025	166,773	165,650	1,123-	32.88%
Total Funds	$127,691	$166,657	$169,682	$3,025	$166,773	$165,650	$1,123-	32.88%

Agency Description

The Montana State Council on Vocational Education was created in 1985 to comply with the Carl D. Perkins Vocational Education Act of 1984 (P.L. 98-524). The purpose of the thirteen-member council is to analyze and evaluate the vocational education program delivery system assisted under the Perkins Act and under the Job Training Partnership Act, and to report to and advise the Governor, State Board of Regents of Higher Education, Department of Education, business community, and general public on how well the state's needs for vocational education are being met.

Budget

The pay plan increase for fiscal 1992 and fiscal 1993 (HB 509) is not included in the table above. In volume I of this report in the "Pay Plan" section is a description of the pay plan increase and a table showing allocations to each agency.

No vacancy savings were applied to the personal services budget for the 1993 biennium. The personal services budget increases 12.3 percent due to vacancy savings incurred in fiscal 1990 and not budgeted in the 1993 biennium, the continuation of the fiscal 1991 pay plan increase, and increased per diem for the council members.

Operating expenses increase from fiscal 1990 due to: 1) an additional $30,000 each year from the budget modification; 2) audit cost increases of $370; and 3) inflationary adjustments of $1,000.

Equipment is budgeted at $500 per year to purchase office equipment.

MONTANA COUNCIL ON VOCATIONAL EDUCATION

Budget Modification

	Executive				Legislature			
Modification Type	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93	FTE FY92	FTE FY93	General Fund 92-93	Total 92-93
1) Increased federal funds	0.0	0.0	$0	$60,000	0.0	0.0	$0	$60,000

Increased Federal Funding - Funding for the Montana Council on Vocational Education is provided through the Carl Perkins Vocational Education Act, which also authorizes the council and sets its duties. Recent re-authorization of the act raised the level of funding for Montana's vocational-education council from $120,000 to $150,000 each year. These funds will be used to perform additional responsibilities assigned by the re-authorization, including analysis and review of corrections education programs, comment on the adequacy or inadequacy of state action in implementing the state vocational-education plan, and review and comment on the state plan.

Funding

Funding for the council is entirely federal Carl Perkins vocational-education funds. The funding level of $169,682 in fiscal 1992 and $165,650 in fiscal 1992 are higher than the amount of the federal grant of $150,000. This is due to carryover of funds from prior years in which the full authorized grant was not expended. This program, which is mandated under federal vocational-education laws, does not reduce available funding for vocational-education in Montana.

FIRE SERVICES TRAINING SCHOOL

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
FTE	5.00	.00	5.00	5.00	.00	5.00	5.00	.00
Personal Services	166,692	0	175,657	175,657	0	176,368	176,368	5.38%
Operating Expenses	56,364	0	44,922	44,922	0	42,696	42,696	-20.30%
Equipment	16,299	0	18,225	18,225	0	0	0	11.82%
Total Costs	$239,355	$0	$238,804	$238,804	$0	$219,064	$219,064	-.23%
Fund Sources								
General Fund	220,259	0	238,804	238,804	0	219,064	219,064	8.42%
Proprietary Fund	19,096	0	0	0	0	0	0	-100.00%
Total Funds	$239,355	$0	$238,804	$238,804	$0	$219,064	$219,064	-.23%

Agency Description

As authorized in Section 20-31-102, MCA, the Fire Services Training School (FSTS) exists to organize, supervise, and coordinate training and education for fire service personnel in the state in accordance with local needs and the standards established by the Board of Regents. The board provides general supervision of the school, which is located in Great Falls at the vocational-technical center. The Fire Services Training School administers and maintains a resource center for use by localities; provides regional, local, and state-wide training programs for fire services personnel; develops courses and training materials; maintains a network of unsalaried field instructors and offers a fire service professional certification program. The school is attached to the Cooperative Extension Service for administrative purposes.

Language

"The Fire Services Training School must be provided office, classroom and storage space in the Great Falls vocational-technical center at no charge."

Budget

The Executive Budget had proposed that the Fire Services Training School be transferred to the state Department of Lands. For this reason the table above does not include the amount recommended by the Executive Budget for this agency.

FIRE SERVICES TRAINING SCHOOL

The pay plan increase for fiscal 1992 and fiscal 1993 (HB 509) is not included in the table above. In volume I of this report in the "Pay Plan" section is a description of the pay plan increase and a table showing allocations to each agency.

Effective fiscal 1992, the Fire Services Training School will begin using the College and University Business Administration (CUBA) fund structure because it is administratively attached to the Cooperative Extension Service. The Fire Services Training School currently collects fees from volunteer fire departments for using library and other resource materials and deposits them into a proprietary account. The CUBA fund structure requires that the fees be deposited to the CUBA-equivalent of a proprietary fund--the current designated fund. This fund type is appropriated by language rather than dollar amount in the general appropriations act. Therefore, fee collections and expenditures are not shown above.

No vacancy savings were applied in the 1993 biennium to this budget. Personal services increase 5.4 percent due to the continuation of the fiscal year 1991 pay plan in the 1993 biennium and a one grade increase due to reclassification of a training specialist position.

The decreased operating expenses are a result of using the CUBA fund structure, as noted above. This decrease is offset by the following increases: 1) approximately $2,000 each year in inflationary increases primarily in communication; 2) audit costs increases by $2,272; and 3) $7,554 was added for administrative fees paid to Montana State University for such services as accounting and payroll.

Equipment includes $300 for a computer modem and $17,925 in fiscal 1992 to replace a 1984 vehicle with over 110,000 miles. No equipment is budgeted in fiscal 1993.

Funding

The major portion of this program is funded from the general fund.

LONG RANGE PLANNING

LONG RANGE PLANNING

Largest Capital Projects Budget

The 52nd Legislature approved $142.17 million of capital projects for the 1993 biennium. This is by far the largest capital project program approved by any session of the Montana legislature. The 1993 biennium program exceeds the program approved for the 1983 biennium (the next largest biennial construction program) by $76.27 million. Table 1 shows the total capital projects appropriated for the 1983 through the 1993 biennia.

Table 1
Capital Projects Appropriated by Legislature

Biennium	Total Projects	Capital Projects Funds	G.O. Bonds
1983	$60,294,450	$11,700,007	$35,833,505
1985	65,897,869	10,870,292	39,334,695
1987	38,270,308	10,517,666	8,550,000
1989	17,686,787	6,246,547	0
1991	32,864,127	7,514,608	3,822,800
1993	142,165,699	8,032,298	61,260,830

House Bill 5

This bill appropriates $133.50 million for capital projects in the 1993 biennium, including $61.26 million in general obligation bonds for five construction projects (two for the Department of Institutions, two for the university system, and one for the Department of Military Affairs). Table 2 lists the projects contained in House Bill 5, showing the cost of each project by agency.

Table 2
Capital Construction Program
1993 Biennium

Agency	Capital Projects Fund	General Fund	State Special Revenue	Federal Special Revenue	Other Revenue	LRBF Bond Proceeds	Total
ADMINISTRATION							
Hazardous Materials Abatement	$617,500				$150,000		$ 767,500
Construction Litigation	345,000						345,000
Alternate Water Supply					50,000		50,000
Property Acquisition					123,014		123,014
Statewide Building Retrofit			$500,000	$1,000,000	500,000		2,000,000
Total Department of Administration	$962,500	$0	$500,000	$1,000,000	$823,014	$0	$ 3,285,514
COMMERCE							
Pavement - West Yellowstone Airport				$ 465,957	$ 51,773		$ 517,730
FISH, WILDLIFE, & PARKS							
Remove Underground Storage Tanks			$ 150,000				$ 150,000
Headquarters Maint. & Improvements			85,000				85,000
Property Development			360,000				360,000
State Parks Development & Improve.			3,798,500	1,124,500			4,923,000
Fish Hatchery Maintenance			37,500	112,500			150,000
Fishing Access Site Improvements			286,000	858,000			1,144,000
Motorboat Access Site Facilities			67,000	201,000			268,000
River Restoration			219,000				219,000
Fishing Access Site Acquisition			881,000				881,000
Wildlife Habitat Maintenance			304,000				304,000
Wildlife Habitat Acquisition			4,923,356				4,923,356
Waterfowl Habitat Enhancement			399,500				399,500
Bighorn Sheep Habitat Acquisition			48,500				48,500
Total Dept, of Fish, Wildlife, & Parks	$ 0	$0	$11,559,356	$2,296,000	$0	$0	$13,855,356
STATE LANDS							
Maint. & Improve. Projects	$118,280			$ 100,000			$ 218,280
Construct Unit Office	235,000						235,000
Construct Greenhouses			191,900				191,900
Total Department of State Lands	$353,280	$0	$ 191,900	$ 100,000	$0	$0	$ 645,180

LONG RANGE PLANNING

LABOR							
Renovate Job Ser. Bldg. G.F.				$310,000			$ 310,000
Major Maintenance				209,450			209,450
Total Department of Labor	$0	$0	$0	$519,450	$0	$0	$ 519,450
HIGHWAYS							
Maintenance Projects - Statewide			$ 693,500				$ 693,500
Construct & Expand Maint. & Equipment Buildings			1,167,600	$115,925			1,283,525
Total Department of Highways	$0	$0	$1,861,100	$115,925	$0	$0	$ 1,977,025
FAMILY SERVICES							
Security Fence - Pine Hills	$ 27,000						$ 27,000
Repair Roofs - MVS and PHS	127,600						127,600
Total Department of Family Services	$ 154,600	$0	$0	$0	$0	$0	$ 154,600
SCHOOL FOR DEAF AND BLIND							
Academic Bldg Roof & Repairs	$ 339,000						$ 339,000
MILITARY AFFAIRS							
Kitchens Upgrade - Statewide	$ 45,000						$ 45,000
Rifle Range Rehab. - Statewide	10,000			$ 555,000			565,000
Armory Additions	150,000			16,155,000			16,305,000
Land for Armory - Billings	150,000			200,000			350,000
Expand Vehicle Compounds	5,000			275,000			280,000
Maint. Existing Facilities				300,000			300,000
Libby Armory				827,000		$400,000	1,227,000
Total Department of Military Affairs	$ 360,000	$0	$0	$18,312,000	$0	$400,000	$19,072,000
INSTITUTIONS							
Water & Steam Lines MDC	$ 116,708						$ 116,708
Moisture Protection EHS	98,450						98,450
Infrastructure Study - Mt State Hosp	112,375						112,375
Roads & Park. Lots Maint.	37,625						37,625
Bldg. Improvements CFA	105,015						105,015
Multi purpose Bldg. Floor MSH	26,800						26,800
Galen Repair Projects	181,000						181,000
Roofs Bd. of Pardons & Warehouses	30,000						30,000
Seal Buildings - Prison	25,000						25,000
Expand Industries Facilities				$14,000	$321,976		335,976
Major Prison Expansion	877,500					$19,360,745	20,238,245
Women's Correctional Facility						10,075,600	10,075,600
Total Department of Institutions	$1,610,473	$0	$0	$14,000	$321,976	$29,436,345	$31,382,794

LONG RANGE PLANNING

UNIVERSITY SYSTEM							
Replace Roofs	$1,154,550				$ 350,000		$ 1,504,550
Improve Underground Utilities	296,000				200,000		496,000
Improve Handicap Access	335,000						335,000
Improve Sidewalks & Fire Access	86,000						86,000
Deferred Maintenance		$ 600,000					600,000
MONTANA STATE UNIVERSITY							
Centennial Mall					1,600,000		1,600,000
Engineering/Physical Science Bldg.	1,165,290	500,000			2,168,200	$18,401,510	22,235,000
UNIVERSITY OF MONTANA							
Install Fire Alarm	70,000						70,000
Plan Chem/Pharm Renovations	50,000						50,000
Various Improvements					2,584,600		2,584,600
Life Science Bldg				$12,000,000			12,000,000
Business Administration Bldg.	604,705				1,858,320	13,022,975	15,486,000
EASTERN MONTANA COLLEGE							
Primary Electrical Vault	31,000				14,000		45,000
Computer Equipment		600,000					600,000
MT. COLLEGE OF MINERAL SCIENCE							
Plan Metallurgy Bldg. Remodel	50,000						50,000
Retrofit Windows in Museum	142,000						142,000
NORTHERN MONTANA COLLEGE							
Gym Repairs		1,300,000			1,700,000		3,000,000
AGRICULTURAL EXPERIMENT STATION							
Multi-Pur. Bldg. N. Ag Resrch. Cntr.	150,000						150,000
WESTERN MONTANA COLLEGE							
Repair Heating System	57,900						57,900
Remodel Student Union					600,000		600,000
VOCATIONAL-TECHNICAL CENTER							
Replace Carpet - Great Falls	60,000						60,000
Total University System	$4,252,445	$3,000,000	$0	$12,000,000	$11,075,120	$31,424,485	$61,752,050
Total Appropriated	$8,032,298	$3,000,000	$14,112,356	$34,823,332	$12,271,883	$61,260,830	$133,500,699

As Table 2 shows, $3 million of general fund was appropriated to the university system. This appropriation was contingent upon passage and approval of House Bill 959, which has been signed by the Governor.

Major Projects

Fish, Wildlife, and Parks

There are two major projects included in the $13.86 million appropriation for the department's capital projects: 1) $4.92 million for the development and improvement of state parks; and 2) $4.92 million for the acquisition of wildlife habitat from funds specifically earmarked for that purpose.

Military Affairs

The legislature appropriated $16.31 million for additions and renovation of 19 state-owned armories throughout the state. The funding is almost entirely from federal sources, with $150,000 coming from the capital projects fund. In addition, $1.23 million was appropriated for the construction of the Libby armory. Funding for this project includes $400,000 from general obligation bond proceeds and $827,000 in anticipated federal funds.

Institutions

Two prison construction projects were approved for the Department of Institutions. For the $20.24 million expansion of the men's prison at Deer Lodge, design costs ($877,500) are funded from the capital projects fund and the remainder funded by general obligation bond proceeds of $19.36 million. The estimated cost of this project was based on use of inmate labor in some of the construction work. House Bill 339 and House Bill 1005, which would have authorized the use of inmate labor for projects exceeding $25,000, were not enacted by the legislature. Without the use of inmate labor, the additional construction cost are estimated to be $1.67 million. Since no additional appropriation for these increased cost was added, some portion of the project may have to be scaled back to stay within the appropriation.

The second project was the women's correctional center for $10.08 million. Prior to the 1991 session, the department requested bids from communities throughout Montana for proposals to build a 200-bed women's correctional center, which would be leased by the state. House Bill 528 enacted by the legislature placed in statute the criteria for the site selection of the facility and provided that the selection would be made by a committee composed of legislators, the public, and executive branch officials. During the session, the facility was reduced from 200 beds to 120 beds and entirely financed by general obligation bonds authorized in House Bill 5. Because no separate appropriation was made for the initial cost of $562,400 to design and plan the facility, the Department of Administration plans to pay this cost with a general fund loan which will be repaid when the bonds are sold.

University System

Three major projects for the construction of new buildings in the university system were approved:

1) Engineering/Physical Science Building - Montana State University This project was included in the Executive Budget with a 15 percent match to be provided by the university. The legislature reduced the match to 12 percent and provided $500,000 of general fund, contingent upon passage and approval of House Bill 959. This project is funded by: 1) $1.17 million of capital projects funds; 2) $500,000 of general fund; 3) $2.17 million of match funds from the university; and 4) $18.40 million of bond proceeds from general obligation bonds.

2) Business Administration Building - University of Montana This building, which is designed to serve 1,181 students and 78 faculty, required a 15 percent match by the university in the Executive Budget. The legislature reduced this match to 12 percent. Funding for this project is $604,705 of capital projects funds for the design work, $1.86 million from the university as match, and $13.02 million from general obligation bond proceeds.

3) Life Science Building - University of Montana This $12 million project will be funded from federal funds which require no state match.

The Executive Budget recommended renovation of a vacant residence hall at Eastern Montana College at a cost of $1.23 million funded by general obligation bonds and 15 percent matching funds from the college. The legislature eliminated this project to finance the match reduction for the other two university building projects.

The Executive Budget also included a new gymnasium for $8 million at Northern Montana College to be financed by funds raised by the college. The legislature approved a scaled-down project funded by $1.3 million of general fund and $1.7 million of funds from other sources raised by the college. This $3 million will make all necessary life safety repairs to the building which includes replacement of roofs and structural repairs to the swimming pool. In addition, other improvements, such as locker room repairs, will be made.

Contingency Language in House Bill 5

House Bill 5 contains several sections with contingency language. Following are the most significant:

Section 6 - Subpart (6) of this section allows $490,000 of federal funds and $163,333 of state special funds to be transferred between certain projects for the Department of Fish, Wildlife, and Parks if House Bill 386 and Senate Bill 415 are not passed and approved. Since House Bill 386 was vetoed by the Governor, this transfer can be made.

Section 14 - Subpart (3) of this section reappropriates funds for the Lake Elmo project which requires a dollar-for-dollar match with local funds. However, the funds for this specific project are reserved only through June 30, 1991. If matching funds have not been deposited by that date, the funds can be used by the department for any other state park improvements providing there are dollar-for-dollar matching local funds.

Section 15 - This section will allow the Department of Administration to use inter-entity loans for planning and design costs prior to receipt of bond proceeds. The department anticipates using these loans for planning and design of the Women's Correctional Facility and for the Montana Developmental Center construction project authorized in House Bill 963.

Section 16 - Subpart (2) of this section requires that the universities have the matching funds committed for the two building projects funded by bonds before any bond proceeds can be expended for construction.

Section 21 - Language was added to the bill making projects in House Bill 5 a higher priority than projects in other bills. So, House Bill 20, which appropriates capital project funds for Montana's contribution for the national memorial honoring women veterans and servicemen at Arlington National cemetery, will be funded only if sufficient money is available in the account to fund all House Bill 5 projects.

Capital Projects Fund

The capital projects fund is referred to as the state's "Cash Building Program". The revenues in this fund include the return of the $1 million of the funds appropriated for the Mansfield Center in the 1983 session. Since these funds were appropriated from the capital projects fund, when they are returned to the state they will be deposited into this account. It is anticipated the funds will be returned by the end of fiscal 1991.

The projected revenues include the additional two-cent increase in cigarette tax enacted during the 1989 session for the construction of a new veterans' home. Since the funds for this project have been set aside, the additional tax now goes into the capital projects fund to be used for state construction projects. Table 3 shows the projected fund balance for the 1993 biennium.

Table 3
Capital Projects Fund
Projected Fund Balance, 1993 Biennium

Estimated Beginning Cash Balance		$1,159,125
Revenues		
Cigarette Tax	$6,841,123	
Interest	629,150	
Supervisory Fees & Oth.	142,000	
Mansfield Center Funds	1,000,000	
Total Revenues		$8,612,273
Funds Available		$9,771,398
Expenditures		
HB 2 Architecture & Engineering Operations*	$1,460,399	
HB 5 Capital Projects	8,032,298	
HB 20 Women's Memorial at Arlington	20,000	
Total Expenditures		$9,512,697
Estimated Ending Fund Balance*		$258,701

*Does not include pay plan increase.

Other Legislation Impacting Capital Construction

House Bill 20 - This bill appropriates $20,000 from the capital projects fund to the Department of Military Affairs as Montana's contribution toward the construction of the National Women in Military Service for America Memorial at Arlington National Cemetery.

House Bills 234 and 957 - The 1989 legislature passed House Bills 202 and 547, which increased the cigarette tax by two cents and authorized the expenditure of the additional revenue for planning and construction of a 100-bed veterans' home to be located in eastern Montana. House Bill 234 reappropriates $1,991,987 from the capital projects fund and $3,669,237 of federal funds for the construction of this veterans' home. House Bill 957 names the new facility the Eastern Montana Veterans' Home.

LONG RANGE PLANNING

House Bill 500 - This bill establishes a Capitol Restoration Commission, which will seek private funds for on-going historical restoration and preservation of the Capitol Building.

House Bill 528 - House Bill 528 defines the process and criteria for the site selection of the Montana's Women's Correctional Facility.

House Bill 963 - This bill provides an appropriation to the Department of Administration of $8,665,000 for construction projects at the Montana Developmental Center. The projects include a day activities building, food service building, six new cottages, and a vehicle storage building to be constructed on the north side of the river. The existing buildings on the north side will be either renovated or demolished. Since there was no specific appropriation for planning and design costs for this facility, the department will use an inter-entity loan to provide cash for these costs and repay the loan when funding becomes available. There are no plans for use of the campus and buildings on the south side of the river.

These projects will be funded by a loan from the Health Facilities Authority (HFA), which will issue bonds. The loan from HFA's bond proceeds, which is defined as a limited obligation, may be secured by a mortgage on the land and buildings at the center. The bill requires that all revenues collected for the facility (medicaid and third party reimbursement) be deposited into a special revenue account to be used for the loan repayment. Excess revenues in the account are to be transferred to the general fund. Currently, all revenue from these sources is deposited in the general fund.

The Department of Institutions estimates that increased federal funding due to depreciation costs of the new construction coupled with decreased operating costs will provide a savings to the general fund when the project is completed and the new buildings are in service.

House Bill 1008 - House Bill 1008 provides approximately $886,000 of funding during the 1993 biennium for the parks maintenance projects appropriated in House Bill 5. The funding in the bill is provided by diverting two-thirds of the coal tax revenues currently going to the Parks Acquisition trust fund to a state special revenue account during the 1993 biennium. In the 1995 biennium, this revenue will again be deposited in the trust.

RESOURCE INDEMNITY TRUST INTEREST ACCOUNTS

House Bill 6

This bill appropriates the Water Development and Renewable Resource Development grants and loans to the Department of Natural Resources and Conservation for the 1993 biennium. Table 1 shows the grants for both programs in priority order, the loans authorized for both programs, and the Water Development grants and loans reauthorized.

Table 1
Water Development and Renewable Resource Grants and Loans
1993 Biennium

Grant Recipient	Project	Water Dev. Grants	Renewable Res.Grants	Loans
WATER DEVELOPMENT				
Chinook Irrigation District	Milk River Water Supply	$100,000		
Lower Musselshell Conservation Dist.	River Management Tools	72,539		
Glasgow Irrigation District	Improving Water Use Efficiency	100,000		
Greenfields Irrigation District	Gravity Sprinkler Planning	100,000		
Montana State Library	Drought Monitoring System	58,364		
Jocko, Mission, & Flathead Irrigation Dist.	Flathead Irrigation Information System	92,000		
Lewis and Clark County Irrigation Dist.	Nilan Water Conservation	100,000		
Private Applicant - Beaverhead County	Ruby Creek Dam Feasibility Study	14,708		
Private Applicant - Town of Sockett	Wastewater Collection and Treatment	50,000		$150,000
Fort Shaw Irrigation District	Rehabilitation of Headworks & "A" Diversion	50,000		50,000
Town of Dutton	Water Storage Reservoir	91,319		
Phillips Conservation District	Moisture Monitoring Project	53,382		
Private Applicant - Sun River Community	Sun River Water System	7,500		
Town of Chinook	Milk River Weir Replacement			200,000
Town of Belt	Sewage System Improvements			100,000
Town of Glasgow	Water and Wastewater			80,950
Missoula Health Department	Linda Vista Sewer Interceptor			100,000
Town of Fairfield	Waterway			14,169
		Water Dev.	Renewable	

RESOURCE INDEMNITY TRUST INTEREST ACCOUNTS

Grant Recipient	Project	Grants	Res.Grants	Loans
RENEWABLE RESOURCES				
Yellowstone County Conservation District	Streambank Reinforcement		$100,000	
Jefferson Valley Conservation District	Cereal-Legume Energy Efficient Crop Rotation		48,677	
Town of Neihart	Water System Improvements		50,000	150,000
Town of Ekalaka	Water Supply and Storage		49,975	100,000
Montana State University	Public Education in Water Management		100,000	
Stillwater Conservation District	Evaluation of Plastic Lining and Fabrication		56,848	
Broadwater Conservation District	Irrigation Water Management Demonstration		100,000	
Dept. of Natural Resources and Conservation	Beaverhead County Ground Water Study		100,000	
City of Polson	Wellhead Protection Program		76,055	
Town of Three Forks	Water System Improvements		100,000	
Fort Shaw Irrigation Project	Rehabilitation and Betterment Study		50,000	
Government of Butte-Silver Bow	Blacktail Creek Restoration		100,000	
Liberty County Conservation District	Sweetgrass Hills Ground Water Study		100,000	
Missoula County Conservation District	Irrigation Diversion Alternatives		85,250	
Fallon County	Baker Lake Erosion Control and Rec. Path		15,361	
Darby School District No. 8	Park Project		25,300	
Meagher County Conservation District	South Side Canal Lining Project		37,500	62,500
Dept. of Natural Resources and Conservation	Battle Creek Storage Unit		82,000	
Total Current Projects		$889,812	$1,276,966	$1,007,619
REAUTHORIZED WATER DEVELOPMENT GRANTS AND LOANS				
Sun Prairie Village Water & Sewer Dist.	Water System Improvements			$200,000
Carbon County/City of Roberts	Water System Improvements			142,500
City of Shelby	Water System Rehabilitation	$25,000		75,000
Sage Creek Water District	Water District Expansion			158,600
Town of Cascade	Water Distribution and Supply	50,000		150,000
City of Belgrade	Meter Installation & Water Main Replacement	50,000		150,000
Town of Hysham	Water System Improvements	50,000		150,000
East Glacier Water & Sewer Dist.	Middle Creek Diversion	40,000		76,380
Eastern Sanders Conservation District*	Little Bitteroot Recharge Enhancement	86,300		
Total Reauthorizations		$301,300		$1,102,480

* Reauthorization removes the requirement for matching federal funds.

The grants for both programs are in priority order. If revenues are insufficient to fund all grants, the grants of lower priority will not be awarded. Language in the bill allows projects in the Renewable Resource Development program that cannot be funded because of insufficient revenues to be funded from Water Development funds if there are excess funds available and if they meet the Water Development program ranking criteria.

Loans of up to $200,000 come from Water Development bond proceeds. Loans for greater than $200,000 come from the Water Development coal severance tax bonds and are authorized in House Bill 7. House Bill 6 provides that applicants that did not receive grants may apply for a loan. The interest rate for the loan must be at the rate paid for the bonds issued.

House Bill 6 also contains an appropriation to the Department of Natural Resources and Conservation of up to $125,000 from the Water Development state special revenue account to be used for emergency projects.

The bill contains language expressing the intent of the legislature that a minimum of $1 million be available for the Water Development Grants program and a minimum of $1 million be available for the Renewable Resource Development Grants program for the 1993 legislative session. Diversion of the RIT interest funds to other programs in past sessions has decreased the funds available for these grant programs.

RESOURCE INDEMNITY TRUST INTEREST ACCOUNTS

House Bill 8

Table 2 lists the grants for Reclamation and Development in priority order.

Table 2
Reclamation and Development Grants
1993 Biennium

Grant Recipient	Projects	Reclamation & Development
Government of Butte-Silver Bow	Water, Air, Soils Testing and Evaluation Center	$ 296,113
Chinook Irrigation District	Milk River Water Supply Project	300,000
Judith Basion Conservation District	Community-Led Rural Development in Montana	170,000
Dept. of Health and Environmental Sciences	Arro Refinery Cleanup	300,000
Montana Board of Oil and Gas Conservation	Abandoned Well Plugging Project "A"	300,000
Montana Board of Oil and Gas Conservation	Abandoned Well Plugging Project "B"	295,000
Montana Salinity Control Association	Soil and Water Nonpoint Source Pollution Control	137,500
Montana State University	Effect of Sodium, Chlorine, and Total Salts from Treated Cyanide Solutions on Soils	82,885
Carbon and Stillwater Counties and City of Big Timber	Integrated Waste Management in Southcentral Montana	45,437
Dept. of Health and Environmental Sciences	Nonpoint Pollution Control Project	146,620
Montana Bureau of Mines and Geology	Downhole Geophysical Logging Techniques	39,749
Montana Board of Oil and Gas Conservation	Abandoned Well Plugging Project "C"	144,000
Toole County	North Toole County Reclamation Project	105,000
Carbon, Chouteau, Custer Dawson, and Lake Counties	Pesticide Contamination Cleanup	300,000
Government of Butte-Silver Bow	Upper Clark Fork River Basin Coordinator	60,000
Dept. of Natural Resources and Conservation	Arsenic in Upper Missouri River Basin	179,330
Department of State Lands	Well Assessment and Abandonment	300,000
Department of State Lands	Comet Mine Wetlands Development	250,700
Glacier County Conservation District	Evaluation of Ground Water Contamination	197,453
Dept. of Health and Environmental Sciences	Water Resources in Clark's Fork Yellowstone River Basin	218,250
Sheridan County Conservation District	Oil Field Waste Contamination	134,736
Yellowstone County	LIS/GIS Project	50,000
Montana State University	Trout Stream Restoration	45,500
Montana Salinity Control Association	Supplemental Funding Nonpoint Source Pollution	62,500
Total Grants		$4,160,773

The grants authorized in this bill exceed the available revenues for the projects. The legislature gave the department the flexibility to approve grants of lower priority in the event additional revenues become available or if any of the projects of higher priority are not awarded.

The bill reauthorizes grants of $107,000 from the 1987 legislature and $300,000 from the 1989 legislature made to the Department of State Lands for the Blackfoot River reclamation project and transfers the appropriation of $407,000 to the Department of Health and Environmental Sciences (DHES). This transfer was made because DHES has the authority to pursue cost recovery from parties responsible for the river contamination.

The bill also includes language which states that it is the legislature's intent that a minimum of $3 million be available for the Reclamation and Development grants program for the 1993 legislative session.

House Bill 7

Table 3 lists the Water Development loans from the coal severance tax bond proceeds contained in House Bill 7. This table shows the grant recipient, project, term, and loan amount for both the new loans and loans reauthorized. This table also includes the Evergreen Wastewater project reauthorized in House Bill 648.

RESOURCE INDEMNITY TRUST INTEREST ACCOUNTS

Table 3
Water Development Loans from Coal Severance Tax Bond Proceeds
1993 Biennium

Recipients	Projects	Loan Terms	New Loans	Reauthorized Loans
NEW LOANS				
City of Forsyth	Water Treatment Plant Improve.	2% Subsidy-5 years, Bond rate 15 years	$1,948,916	
Seely Lake-Msla Co Water Dist	Water Treatment Plant	2% Subsidy-5 years, Bond rate 15 years	922,150	
Columbia Falls	Water Improvements	1% Subsidy-5 years, Bond rate 15 years	1,163,720	
Huntley Irrigation District	Diversion Structure and Canal	No Interest Subsidy, 20 year loan	749,797	
Beaverhead Co Sewer District	Lima Dam Rehabilitation	3% for 30 years, Est. Subsidy 4.5%	3,040,000	
Mill Creek Water & Sewer Dist	Gravity Irrigation Sprinkler	6% for 30 years, Est. Subsidy 1.5%	151,000	
Lakeside Water & Sewer Dist	Wastewater Facility	6% for 30 years, Est. Subsidy 1.5%	251,700	
REAUTHORIZED LOANS				
East Bench Irrigation District	Gravity Sprinkler	4% for 30 years, Est. Subsidy 3.5%		$ 431,000
Somers Co Water & Sewer Dist	Sewer Project	3% Subsidy-5 years, Bond rate 15 years		3,151,960
Evergreen Water & Sewer Dist*	Wastewater Facilities	3% Subsidy-5 years, Bond rate 15 years		3,778,028
Lake Co/Big Arm Sewer Dist	Sewer	3% Subsidy-5 years, Bond rate 15 years		2,283,893
City of Glendive	Water Treatment Plant	2% Subsidy-5 years, Bond rate 15 years		4,075,000
City of Whitefish	Water treatment & Distribution	2% Subsidy-5 years, Bond rate 15 years		6,035,800
Town of Wibaux	Water Strg/Transmission Line	2% Subsidy-5 years, Bond rate 15 years		272,500
Town of East Glacier	Water System	2% Subsidy-5 years, Bond rate 15 years		484,270
Pondera Conservation District	Irrigation System Rehab.	2% Subsidy-5 years, Bond rate 15 years		750,000
Town of Browning	Sewage Treatment Improvements	No Interest Subsidy, 20 year loan		447,014
Anaconda-Deer Lodge County	Wastewater Effluent Disposal	No Interest Subsidy, 20 year loan		500,000
Town of Dutton	Water Supply Construction	4% Subsidy-5 years, Bond rate 15 years		150,000
Total Loans			$8,227,283	$22,359,465

*Includes HB 648 reauthorization of $3,266,900 for the Evergreen Wastewater Project

In addition to the reauthorized loans in the table, House Bill 7 contains language reauthorizing any remaining balance in the Broadwater Dam bond proceeds account to be used for completion of the project.

RESOURCE INDEMNITY TRUST INTEREST ACCOUNTS

Section 8 of the bill authorizes the Board of Examiners to issue revenue bonds to refund coal severance tax bonds if the refunding is beneficial to the state. Debt service payments for these revenue bonds would come from loan receipts. The bonds would not be backed by the coal tax fund and would not be a state debt.

The terms for the seven new loans authorized in House Bill 7 are shown in Table 4. With the exception of the loan for the Huntley Irrigation District, all the loans are subsidized by coal tax revenues. These subsidies reduce the revenues deposited in the permanent coal tax trust fund. Table 4 shows the anticipated reduction in the coal tax trust fund during the loan period due to the subsidies for the new loans. The calculations are based on an average interest earnings of 7.5 percent.

Table 4
Water Development Loan Subsidy Cost to Coal Tax
1991 Session

Years	Forsyth	Seeley Lake	Col. Falls	Huntley	Beaverhead	Mill Creek	Lakeside	Totals
1-5	$190,987	$ 90,369	$57,254	$0	$ 426,485	$ 6,271	$10,453	$ 781,819
6-20	35,338	16,722	10,188	0	1,279,454	18,813	31,359	1,391,874
21-30	0	0	0	0	852,970	12,542	20,906	886,418
Totals	$226,325	$107,091	$67,442	$0	$2,558,909	$37,626	$62,718	$3,060,111

Other Legislation

House Bill 240 - This bill expands the projects eligible for Reclamation and Development grants to include projects that provide research and demonstration of farming practices that reduce agricultural chemical use.

House Bill 498 - This act authorizes the use of unexpended bond proceeds from the 1985 series Water Development bond issue for Water Development loans. This bill also increases the amount of the loans from $100,000 to $200,000.

Senate Bill 313 - Senate Bill 313 clarifies the state's water storage policies. One of the provisions of the bill sets aside 25 percent of the money available for Water Development and Renewable Resource Development grants in the 1993 biennium in a separate account to be available for water storage projects for the 1993 legislature. This reduces the funds available for grants in the 1993 biennium, which was anticipated when the grants for the two programs were approved by the 1991 legislature.

OIL OVERCHARGE FUNDS

1991 Legislation

House Bills 10, 524, and 777 appropriate $3,305,000 in oil overcharge funds for energy conservation projects and programs for the 1993 biennium. Oil overcharge funds are allocated to the state by the federal Department of Energy as a result of federal court action requiring certain producers to pay restitution for violation of federal oil price and allocation controls between 1973 and 1981. These funds cannot be used to replace state funds and may only be used for programs authorized under federal law. Table 1 lists the projects in priority order appropriated in three bills and the state agency responsible for each of the programs.

Table 1
Oil Overcharge Funds
1993 Biennium

Project	Agency	Amount
Energy Savings Projects Administration	Department of Natural Resources & Conservation	$ 400,000
Low-Income Home Weatherization	Dept. of Social and Rehabilitation Services	1,150,000
Low-Income Energy Assistance Program	Dept. of Social and Rehabilitation Services	100,000
Biological Weed Control	Department of Agriculture	200,000
Vegetable Oil as Fuel Substitute	Department of Natural Resources & Conservation	200,000
Retrofitting Local Government Buildings	Department of Natural Resources & Conservation	235,000
Conservation Districts Tech. Assistance	Department of Natural Resources & Conservation	100,000
Low-Income Home Heating Tank Replacement	Department of Health and Environmental Sciences	200,000
Wind Farm Transmission Study (HB 524)	Department of Natural Resources & Conservation	70,000
Institutional Conservation Program	Department of Natural Resources & Conservation	650,000
Total		$3,305,000

House Bill 777 includes an appropriation of $400,000 to the Department of Natural Resources and Conservation from the oil overcharge funds to administer energy savings projects for state-owned buildings, as authorized in Title 90, Chapter 4, Part 6, MCA. The bill states that this appropriation has higher priority than any other projects funded from the oil overcharge funds.

The Home Weatherization program provides home weatherization assistance to families whose incomes are below the 125 percent federal poverty level, as provided in Section 90-4-201, MCA. These funds supplement the appropriation for this program in House Bill 2.

The appropriation for the Low-Income Energy Assistance program will be used to match private contributions to Energy Share, Inc., which assists persons not eligible for federal low-income energy assistance whose incomes are less than 150 percent of the federal poverty level. These funds may only be used for clients' fuel bills or other energy needs.

OIL OVERCHARGE FUNDS

The appropriation for Biological Weed Control to the Department of Agriculture is to continue the collection and distribution of biological agents to control leafy spurge and spotted knapweed. The project will reduce energy consumption by reducing the need for repeated chemical applications.

The Department of Natural Resources and Conservation is appropriated $200,000 for demonstration of vegetable oil fuel substitutes or extenders designed to reduce petroleum consumption and result in a new potential cash crop for Montana farmers. These funds must be matched dollar-for-dollar with private or federal funds. The appropriation must be used to: 1) contract with Montana farmers to grow high oleic safflower strains such as montola 2000; 2) field test lube oil additive mixes to minimize polymerization in diesel engines that use vegetable oil; 3) evaluate testing results from safflower fuel oil use; and 4) perform preliminary market development for montola 2000 or high oleic strains.

The appropriation for retrofitting local government buildings is to be used for grants to public or private entities to develop programs for retrofitting local government buildings with energy conservation measures similar to the state building energy conservation program established in Title 90, Chapter 4, Part 6, MCA. The Department of Natural Resources and Conservation must report to the 53rd Legislature on work completed, recommendations for self-sustaining local government building conservation programs, and legislation necessary to implement the program.

The Department of Natural Resources and Conservation is appropriated $100,000 for use by conservation districts for energy efficiency or renewable energy projects, specifically in agricultural projects.

The appropriation for low-income home heating tank replacement is made to the Department of Health and Environmental Sciences to remove and replace home heating oil tanks and lines that are losing fuel or that are over 30 years old. This assistance can only be made for residences that are occupied by recipients of the Low-Income Energy Assistance program. These funds may not be used to clean soil or water contaminated by leaking home heating oil tanks or lines.

The appropriation for the wind farm transmission study in House Bill 524 to the Department of Natural Resources and Conservation is to assess the ability of the present electrical transmission system and the development of utility-scale wind farms in Montana to reduce future costs to electric rate-payers and encourage the development of a Montana natural resource. There is a 2-to-1 match requirement with this appropriation.

The appropriation for the Institutional Conservation program will provide energy conservation to schools and hospitals. This appropriation has the lowest priority and will be the first reduced if revenues are not sufficient to fund all programs.

House Bill 777 authorizes the issuance of $3 million in general obligation bonds to fund energy savings projects in state-owned buildings in compliance with Title 90, Chapter 4, Part 6, MCA. The projects listed in the bill are for the University of Montana, Eastmont Human Services Center, Pine Hills School, and the Cogswell Building. Section 90-4-606, MCA, requires that the estimated energy savings for the projects be equal to or greater than the debt service for the bonds. This bill received the necessary two-thirds vote approving a state debt.

CULTURAL & AESTHETICS GRANT PROGRAM

The Cultural and Aesthetics Grants program, which is administered by the Montana Arts Council, is funded by the interest from a non-expendable trust which receives a portion of the coal severance tax revenues. By statute, the interest from this must be used for protection of works of art in the state capitol and for other cultural and aesthetic projects. All grants must be approved by the legislature.

Table 1 details the total appropriations, actual expenditures, and numbers of projects funded since the program began.

Table 1
Cultural Aesthetic Projects

History

Biennium	Appropriated	Expended	Projects
1979	$50,000	$50,000	1
1981	140,000	140,000	3
1983	641,680	601,477	15
1985	823,479	811,116	39
1987	1,476,511	1,442,870	63
1989	1,211,817	1,208,217	52
1991	1,298,788	N/A	74
1993	1,296,080	N/A	101

CULTURAL & AESTHETICS GRANT PROGRAM

Table 2 shows the projected funding for the Cultural and Aesthetics Grants for the 1993 biennium.

Table 2
Cultural & Aesthetics Fund
Fund Balance Projection
1993 Biennium

Estimated Beginning Fund Balance	$262,766
Revenues	
Interest	1,314,855
Funds Available	$1,577,621
Expenditures	
Administration	$133,549
Evaluations	11,000
Grants	1,296,080
Total Expenditures	$1,440,629
Ending Fund Balance	$136,992

House Bill 1008 enacted by the 1991 legislature created a separate trust for this program. Prior to fiscal 1992, a portion of coal severance tax collections were deposited in the Park Acquisition trust. Of the interest earned on that trust, two-thirds was allocated for park acquisition and maintenance and one-third for the cultural and aesthetics grant program. Effective July 1, 1991, House Bill 1008 provides that one-third of the trust principal be placed in a separate trust, with all the interest dedicated to the cultural and aesthetics grant program. This new trust will receive 0.63346 percent of coal tax collections.

Table 3 lists the grants which were appropriated in House Bill 9 in the 1991 session for these projects. Projects are listed in priority order and will be funded in that order as funds become available.

CULTURAL & AESTHETICS GRANT PROGRAM

Table 3
Cultural & Aesthetic Grants, 1993 Biennium
House Bill 9 Appropriations

	Name of Project	Appropriation
1	MSU Shakespeare in the Parks	$27,500
2	Montana Arts Council	50,000
3	Montana Institute of the Arts Fund	15,000
4	Helena Presents	30,000
5	Vigilante Theater Company	15,500
6	Montana Performing Arts Concert	40,000
7	Yellowstone Art Center	50,000
8	UM Montana Repertory Theater	50,000
9	MSU KUSM Public Television	32,500
10	Native American Cultural Institute	9,000
11	Alberta Bair Theater Corp.	10,000
12	Montana Historical Society	73,400
13	Hockaday Center for the Arts	15,000
14	Montana Arts Council	35,000
15	Young Audiences of Western MT	10,000
16	Missoula Children's Theater	35,000
17	Montana Art Gallery Director's Association	25,000
18	International Choral Festival	5,000
19	Montana Committee for the Humanities	25,000
20	Watershed Foundation	27,500
21	Town of Sunburst	10,000
22	Dull Knife Memorial College Library	20,000
23	Aleph Movement Theater	10,000
24	Beall Park Art Center	3,500
25	Custer County Art Center	15,000
26	Bigfork Center for the Performing Arts	15,000
27	Lewistown Arts Center	1,500
28	Missoula Children's Theater	15,000

CULTURAL & AESTHETICS GRANT PROGRAM

	Name of Project	Appropriation
29	Northern Lights Institute	10,000
30	Helena Civic Center	10,000
31	Western Heritage Center	15,000
32	Paris Gibson Square	5,000
33	Montanans for Quality TV	10,000
34	Fort Peck Fine Arts Council	20,000
35	Montana Indian Art & Cultural Association	10,000
36	Great Falls Symphony Association	10,000
37	String Orchestra of the Rockies	10,000
38	Yellowstone Chamber Players	10,000
39	Blackfeet Community College	2,000
40	Fox Committee for the Performing Arts	10,000
41	Hellgate Writers, Inc.	13,000
42	Alberta Bair Theater Corp.	8,767
43	Bigfork Center for the Performing Arts	17,534
44	Glacier Orchestra and Chorale	21,917
45	Beall Park Art Center	8,767
46	Billings Symphony Society	13,150
47	Yellowstone Art Center	17,534
48	Clack Museum Foundation	13,150
49	Gallatin County Historical Society	8,767
50	MSU Shakespeare in the Parks	17,534
51	Great Falls Symphony Association	21,918
52	Bitterroot Public Library Fund	17,332
53	Carbon County Arts Guild	5,000
54	Montanans for Quality TV	10,000
55	Grandstreet Theater	10,000
56	Powder River Historical Society	2,000
57	Livingston Depot Foundation	12,000
58	Montana Ballet Company	7,500
59	Garden City Ballet	7,500
60	Montana Ag Center of Fort Benton	4,000
61	Garfield County Library	5,000
62	Custer County Art Center	7,000

CULTURAL & AESTHETICS GRANT PROGRAM

	Name of Project	Appropriation
63	Helena Symphony Society	10,000
64	Missoula Symphony Association	5,000
65	Montana Association of Symphony Orchestra	10,000
66	Montana State Theater Association	3,000
67	Montana Public TV Association	10,000
68	Montana Dance Arts Association	5,000
69	Billings Preservation Society	30,000
70	Daly Mansion Preservation Trust	15,000
71	Blackfeet Community College	2,000
72	Growth Thru Art, Inc.	10,000
73	Broadway 215	4,000
74	Very Special Arts Montana	10,000
75	Celebrate Missoula	10,000
76	Copper Village Museum	5,000
77	Custer County Art Center	3,000
78	Gallatin County Historical Society	2,500
79	Treasure County 89'ers	3,000
80	Granite County Museum/Cultural Center	5,000
81	Montana Alliance for Arts Education	5,000
82	Stevensville Museum	2,500
83	Bitterroot Community Band	1,000
84	Montana Puppet Guild	4,000
85	Daly Mansion Preservation Trust	15,000
86	MSU School of Art	18,000
87	Garnet Preservation Association	5,000
88	Big Sky Association for the Arts	10,000
89	Dillon Depot Restoration Committee	2,000
90	UM KUFM Radio	3,000
91	Biddle Community Heritage Center	1,000
92	Prairie County Museum	3,000
93	Bannack State Park	2,310
94	Milwaukee Rode Cultural Project	4,000
95	Museum of the Northern Great Plains	10,000
96	Old Trail Museum	5,000

CULTURAL & AESTHETICS GRANT PROGRAM

	Name of Project	Appropriation
97	Helena Arts Council	5,000
98	Helena Arts Council	5,000
99	Archie Bray Foundation	5,000
100	Archie Bray Foundation	5,000
101	Big Fork Village Art and Cultural Center	1,000
	TOTAL	$1,296,080

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GENERAL APPROPRIATIONS ACT OF 1991 HOUSE BILL 2

THE GENERAL APPROPRIATIONS ACT OF 1991 FOR THE APPROPRIATION OF MONEY TO VARIOUS STATE AGENCIES FOR THE BIENNIUM ENDING JUNE 30, 1993.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Short title. [This act] may be cited as "The General Appropriations Act of 1991".

Section 2. Limit on personal services transfer -- exceptions. (1) Funds appropriated for personal services or indicated in legislative intent as having been appropriated for personal services may not be expended under any other category unless the approving authority approves a specific agency request for the 1993 biennium only, which request is justified either on the basis of documented cost savings or as specified in subsection (2). The approving authority shall submit its analysis of the cost savings to the legislative auditor, with wages and fringe benefits separately documented from other cost savings. The legislative audit committee shall review the approving authority's analysis and report to the 53rd legislature on the savings realized.

(2) If an agency is unable to recruit and hire professional positions funded in the appropriation, funds appropriated for personal services may be used to fund an agreement or contract to provide services that are identical to those services performed by an authorized position. The amount used for the agreement or contract may not be more than the amount authorized for the position less any personal services reduction. The agency director shall certify to the approving authority, as defined in House Bill No. 454, or his designated representative that the agency is unable to fill the position and that the services performed by that position are necessary.

Section 3. First level expenditures. The agency and program appropriation tables in the legislative fiscal analyst narrative accompanying this bill, showing first level expenditures and funding for the 1993 biennium, are adopted as legislative intent.

Section 4. Reorganization. If any agency reorganizes during the 1993 biennium, the agency shall present for fiscal 1992 and fiscal 1993 by program:

(1) a restatement of the FTE records and financial records consistent with the reorganized structure; and

(2) a comparison of the original operating budget to the revised operating budget that reflects the reorganization. Reorganization means transfer of functions or five or more FTE from one program to another.

Section 5. Natural resources damage assessment repayment. In the natural resource damage assessment and litigation against the atlantic richfield company, the state shall seek repayment of any funds appropriated in [this act] that are expended by a state agency for the purpose of conducting the assessment and/or litigation. This repayment must include interest on the funds at a rate commensurate with rates earned in the short-term investment pool.

Section 6. Personal services reduction. The line item for "personal services reduction" reduces the agency's total personal services appropriations. Before [this act] is enrolled, the legislative fiscal analyst is directed to allocate the personal services reduction among programs within the agency. This allocation must be:

(1) made after all other amendments contained in this conference committee report have been made; and

(2) based upon the funding for all control variables within each program, excluding control variables that do not contain personal services.

Section 7. Budget reduction. The line item for "budget reduction" reduces the agency's total general fund appropriation. The agency, with the approval of the approving authority as defined in House Bill No. 454, shall determine the proportional share of the amount to be applied to each program and reduce that program's appropriation accordingly.

Section 8. Vacant positions. If a budgeted position remains unfilled for more than 6 months, the position may be filled only after approval by the approving authority. The approving authority shall document in writing the justification and approval for filling each position that was vacant for more than 6 months and shall provide the documentation to the office of budget and program planning and to the office of the legislative fiscal analyst if requested. If a budgeted position remains unfilled for more than 1 year, the approving authority may not include the position in the budget request base for the executive budget request that will be presented to the 53rd legislature. The budget request presented to the 53rd legislature must include an analysis of vacant positions subject to the approval requirement in this section and must specifically identify those positions that remained unfilled for more than 1 year and are included in the budget request as modifications.

Section 9. Employee training documentation. All agencies shall identify on the statewide budgeting and accounting system the costs of providing training to employees, including travel but not including the personal services costs for the employees being trained. In addition, agencies shall maintain statistics and information that disclose the days of training provided to employees, the number of employees who received training, and the type of training provided.

Section 10. Severability. If any section, subsection, sentence, clause, or phrase of [this act] is for any reason held unconstitutional, such decision does not affect the validity of the remaining portions of [this act].

Section 11. Audit cost. Amounts appropriated for audits may be transferred between fiscal years. Agencies shall reserve enough cash in each fund to pay for audit costs and shall, to the maximum extent allowable under federal regulations, charge audit costs to federal funds. The budget director shall increase the agency line item appropriations for legislative audits by amounts that total the amount appropriated for the 1993 biennium from the legislative auditor's special revenue fund for the purpose of state pay plan funding. The budget director shall allocate the amounts on the same basis that current line items for legislative audits in agency budgets are allocated in [this act].

Section 12. Technical allocation costs. For agencies with internal cost allocation plans funded with proprietary revenues, the budget director shall adjust agency appropriations by amounts necessary to increase the budgets for indirect costs attributable to pay increases in an agency's indirect cost pool appropriated in the state pay plan bill. Funding for this appropriation consists of general fund money and other funds in an amount proportionate to the funding allocated for budgeting indirect cost assessments in [this act].

Section 13. Account analysis. All agencies shall reexamine their proprietary accounts and designated subfunds and report to the legislative auditor's office after fiscal year 1992 the specific plans for spending the accounts, the monthly or daily account balances, and whether the accounts have adequate amounts of revenue and fund balances and the plans to reduce or add monies to the accounts.

Section 14. Totals not appropriations. The totals shown in [this act] are for informational purposes only and are not appropriations.

Section 15. Effective date. [This act] is effective July 1, 1991.

Section 16. Appropriations. The following money is appropriated for the respective fiscal years:

Fiscal 1992						Fiscal 1993					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
					A. GENERAL GOVERNMENT AND HIGHWAYS						
LEGISLATIVE AUDITOR (1101)											
1. Audit and Examination Program (01)											
1,154,114	1,108,855				2,262,969	1,149,898	1,104,805				2,254,703
a. Additional Audit Staff (Line Item)											
	117,631				117,631		117,376				117,376
b. Legislative Automation Plan (Line Item)											
6,401	6,151				12,552	12,706	12,208				24,914
c. Adjusted Cost Estimates (Line Item)											
12,476	11,987				24,463	4,040	3,883				7,923
d. Sunrise Application Evaluations (Line Item)											
							5,000				5,000
e. SB 264 -- Actuarial Evaluation (Line Item)											
	20,000				20,000						
f. Audits of School-Related Organizations (Line Item)											
	4,000				4,000						
g. Privatization Alternatives -- Additional Audit Staff (Line Item)											
24,837					24,837	24,778					24,778
h. New Audit Work -- Additional Audit Staff (Line Item)											
24,837					24,837	24,778					24,778
i. State Compensation Mutual Insurance Fund (Line Item)											
	24,837				24,837		24,778				24,778
2. Budget Reduction (Line Item)											
5,668					5,668	5,637					5,637

Fiscal 1992						Fiscal 1993					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
Total											
1,216,997	1,293,461				2,510,458	1,210,563	1,268,050				2,478,613
LEGISLATIVE FISCAL ANALYST (1102)											
1. Analysis and Review (01)											
828,738					828,738	877,121					877,121
a. Legislative Contingencies (Line Item)											
20,000					20,000						
b. Legislative Requests (Line Item)											
20,000					20,000						
2. Budget Reduction (Line Item)											
4,221					4,221	4,260					4,260
Total											
864,517					864,517	872,861					872,861
Items 1a and 1b are biennial appropriations.											
LEGISLATIVE COUNCIL (1104)											
1. Interim Studies and Conferences (05)											
469,407	12,000				481,407						
2. Reimbursable Activities Program (07)											
	593,470				593,470		251,120				251,120
3. Legislative Council Operations (10)											
1,342,917	458,726				1,801,643	1,876,200	254,363				2,130,563
a. 1991 Base Pay Adjustment (Line Item)											
34,161					34,161	30,349					30,349
b. One Added FTE (Line Item)											

	Fiscal 1992					Fiscal 1993					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
	23,865					23,865	27,179					27,179
c.	Reapportionment Technical Support (Line Item)											
	138,486					138,486	11,213					11,213
d.	Legislative Computer Network (Line Item)											
	94,530					94,530	84,166					84,166
4.	Budget Reduction (Line Item)											
	10,918					10,918	9,852					9,852
Total												
	2,092,448	1,064,196				3,156,644	2,019,255	505,483				2,524,738

Item 1 is a biennial appropriation. Individual activities are budgeted as follows:

Joint Interim Committees	$ 82,470
Statewide Issues	25,000
Districting and Apportionment Commission	43,000
Revenue Oversight Committee	37,983
Administrative Code Committee	14,048
Select Committee on Indian Affairs	7,200
Commission on Uniform State Laws	30,000
National Conference of State Legislatures	189,706
Northwest Economic Region Conference	20,000
Regional Conferences	32,000

Expenditure of funds for item 3d is contingent on approval by the joint legislative administration committee.

The legislative council may allocate money appropriated in item 1 among the individual activities listed above in order to complete work assigned by the legislature.

Contingent on passage and approval of House Joint Resolution No. 50, a biennial appropriation not to exceed $30,000 from pension trust funds is made to

	Fiscal 1992						Fiscal 1993				
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total

the legislative council for the purpose of conducting an interim study on retirement systems. Of the total appropriation, 12.5% must be made from the teachers' retirement pension fund. The remaining 87.5% must be made from the various pension trust funds administered by the public employees' retirement board in proportion to the membership of each system.

The revenue oversight committee may use part of the appropriation provided in item 1 for the support of the activities of the coal tax oversight subcommittee.

ENVIRONMENTAL QUALITY COUNCIL (1111)

1. Environmental Quality Program (01)											
271,083					271,083	268,865					268,865
a. Additional Staff (Line Item)											
15,800					15,800	15,800					15,800
2. Water Policy Committee (02)											
	26,451				26,451						
3. Budget Reduction (Line Item)											
1,410					1,410	1,390					1,390
Total											
285,473	26,451				311,924	283,275					283,275

Item 2 is a biennial appropriation.

CONSUMER COUNSEL (1112)

1. Administration Program (01)											
	805,775				805,775		828,517				828,517
a. Contract Services (Line Item)											
	100,000				100,000		100,000				100,000
b. Increased Travel (Line Item)											
	6,607				6,607		6,591				6,591

	Fiscal 1992					Fiscal 1993					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
Total											
	912,382				912,382		935,108				935,108

Item 1a is for expert witness fees for unanticipated cases.

JUDICIARY (2110)

1. Supreme Court Operations (01)											
1,358,807					1,358,807	1,356,914					1,356,914
a. Audit (Line Item)											
15,626					15,626						
b. Court Automation (HB 320) (Line Item)											
101,646					101,646	101,647					101,647
c. Law Clerk Parity (Line Item)											
13,767					13,767	13,749					13,749
d. Clerk of Court Training (Line Item)											
4,000					4,000	4,000					4,000
e. SB 228 -- Judicial Salary Increase (Line Item)											
25,105					25,105	56,203					56,203
2. Boards and Commissions (02)											
243,391					243,391	243,528					243,528
a. Judicial Standards (Line Item)											
2,445					2,445	2,445					2,445
3. Law Library (03)											
551,730					551,730	551,801					551,801
a. Automated Legal Data Bases (Line Item)											
192,050					192,050	202,773					202,773

	Fiscal 1992						Fiscal 1993					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
b.	Law Book Inflation (Line Item)											
	10,556					10,556	9,265					9,265
4.	District Court Operations (04)											
	2,534,319					2,534,319	2,527,692					2,527,692
a.	SB 228 -- Judicial Salary Increase (Line Item)											
	125,348					125,348	289,212					289,212
b.	21st Judicial District Salary, Training, Travel (Line Item)											
							32,770					32,770
c.	SB 228 -- Judicial Salary Increase (Line Item)											
							4,166					4,166
5.	Water Courts Supervision (05)											
		489,161				489,161		475,084				475,084
a.	Audit (Line Item)											
		1,736				1,736						
b.	SB 228 -- Judicial Salary Increase (Line Item)											
		3,440				3,440		8,004				8,004
6.	Clerk of Court (06)											
	168,081					168,081	167,757					167,757
a.	Salary Increase -- Deputy Clerk of Supreme Court (Line Item)											
	3,323					3,323	3,323					3,323
7.	District Court Criminal Reimbursement Program (07)											
	2,682,579					2,682,579	2,806,573					2,806,573
a.	Audit (Line Item)											
	1,848					1,848						
8.	Budget Reduction (Line Item)											

Fiscal 1992						Fiscal 1993					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
25,856					25,856	25,781					25,781
Total											
8,008,765	494,337				8,503,102	8,348,037	483,088				8,831,125

Except for $16,000 for law library use, expenditures in item 3a are limited to the amount of revenue collected from reimbursable automated legal data base usage by other entities.

Items 1e, 4a, and 5b are appropriated if Senate Bill No. 228 is passed and approved.

Item 4b is contingent on passage and approval of House Bill No. 934 and item 4c is contingent on passage and approval of both House Bill No. 934 and Senate Bill No. 228.

If revenue deposited to the general fund under the provisions of 61-3-509 is less than the appropriation for district court reimbursement, the supreme court administrator shall reduce the reimbursement to an amount equal to the revenue collected.

GOVERNOR'S OFFICE (3101)

1. Executive Office Program (01)											
1,016,303	78,221			1	1,094,525	1,017,335	78,186				1,095,521
a. Audit (Line Item)											
18,152					18,152						
2. Mansion Maintenance Program (02)											
59,098					59,098	59,851					59,851
3. Air Transportation Program (03)											
317,390					317,390	159,019					159,019
4. Office of Budget and Program Planning (04)											
798,110					798,110	829,424					829,424
a. Audit (Line Item)											
17,362					17,362						
b. NASBO 1992 National Meeting (Line Item)											

	Fiscal 1992						Fiscal 1993					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
	5,000					5,000	5,000					5,000
	c. Equipment Replacement (Line Item)											
	4,000					4,000						
5.	Northwest Regional Power Act (09)											
			403,124			403,124			402,853			402,853
6.	Lieutenant Governor (12)											
	170,798					170,798	170,604					170,604
7.	Citizens' Advocate Office (16)											
	68,452					68,452	69,136					69,136
8.	Mental Disabilities Board of Visitors (20)											
	134,685		47,037			181,722	134,743		47,037			181,780
9.	Budget Reduction (Line Item)											
	13,029					13,029	12,256					12,256
Total												
	2,596,321	78,221	450,162			3,124,704	2,432,856	78,186	449,890			2,960,932

Public funds may not be used to support the governor's radio newsline, a telephone service providing recorded news briefs.

SECRETARY OF STATE'S OFFICE (3201)

1.	Records Management Program (01)											
	876,288					876,288	876,789					876,789
	a. Audit (Line Item)											
	13,416					13,416						
	b. Printing Costs (Line Item)											
	19,924					19,924	58,962					58,962
	c. Microfilming Project (Line Item)											

	Fiscal 1992						Fiscal 1993					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
	25,000					25,000	25,000					25,000
d.	Fireproof Document Storage (Line Item)											
	45,000					45,000						
e.	SB 384 -- Primary Election for 2-Mill Levy (Line Item)											
	52,500					52,500						
2.	Administrative Code Program (03)											
		174,064				174,064		175,298				175,298
a.	Audit (Line Item)											
		2,368				2,368						
3.	State Agency Record Management (05)											
				331,332		331,332				332,856		332,856
4.	Budget Reduction (Line Item)											
	4,845					4,845	4,751					4,751
Total												
	1,027,283	176,432		331,332		1,535,047	956,000	175,298		332,856		1,464,154

If House Bill No. 897 is not enacted, the appropriation in item 3 is transferred to the department of administration.

COMMISSIONER OF POLITICAL PRACTICES (3202)

1.	Administration (01)											
	111,249					111,249	113,562					113,562
a.	Audit (Line Item)											
	2,526					2,526						
b.	Part-Time Assistant (Line Item)											
	10,406					10,406						
c.	Staff Termination Pay (Line Item)											

	Fiscal 1992						Fiscal 1993					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
	1,150					1,150	550					550
d.	Legal Fees and Court Costs (Line Item)											
	45,000					45,000						
2.	Budget Reduction (Line Item)											
	627					627	591					591
Total	169,704					169,704	113,521					113,521

Items 1b and 1d are biennial appropriations.

The commissioner of political practices is to charge a fee for the Campaign Finance Report book that is sufficient to recover the costs of printing and distribution of the book. Public libraries are exempt from the charge for the book. The proceeds from the sale of the book, as well as the fees collected for reimbursement of copier charges, must be deposited in the general fund.

STATE AUDITOR'S OFFICE (3401)

1.	Central Management (01)											
	237,063					237,063	237,103					237,103
a.	Audit (Line Item)											
	5,048					5,048						
b.	Computer System Replacement (Line Item)											
	97,930					97,930	52,070					52,070
2.	State Payroll (02)											
	199,363	194,227				393,590	184,690	209,540				394,230
a.	Audit (Line Item)											
	33,461					33,461						
b.	Payroll System Data Processing -- ISD (Line Item)											
	160,218					160,218		144,394				144,394

	Fiscal 1992						Fiscal 1993					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
3.	Insurance Program (03)											
	963,525					963,525	963,351					963,351
	a.	Audit (Line Item)										
	5,050					5,050						
	b.	Medicare Compliance Specialist (Line Item)										
	29,354					29,354	27,304					27,304
	c.	Office Equipment (Line Item)										
	5,420					5,420	1,495					1,495
4.	Securities Program (04)											
	288,501					288,501	288,316					288,316
	a.	Audit (Line Item)										
	5,050					5,050						
	b.	Office Equipment (Line Item)										
	4,300					4,300						
5.	Fiscal Control and Management Program (10)											
	308,393	146,999		149,562		604,954	308,050	146,832		136,588		591,470
	a.	Audit (Line Item)										
	33,467					33,467						
	b.	Warrant System Data Processing -- ISD (Line Item)										
	99,268					99,268	89,464					89,464
6.	Budget Reduction (Line Item)											
	11,779					11,779	10,759					10,759
Total												
	2,303,414	501,444		149,562		2,954,420	2,141,084	500,766		136,588		2,778,438

	Fiscal 1992						Fiscal 1993				
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total

The appropriation in item 1b is for a computer system. The agency shall follow the system design recommendations approved by the information services division of the department of administration.

The state auditor shall implement a fee system for the purpose of recovering the operational cost of issuing warrants from all user agencies on an equitable basis. It is intended that, beginning in fiscal 1994, the general fund must be reimbursed for services provided to user agencies that are not funded entirely by the general fund. Revenues collected as reimbursement fees from user agencies for costs of issuing state warrants must be deposited in a state special revenue account. The state auditor shall submit the cost recovery plan and the 1995 biennium fee schedule by agency to the office of budget and program planning and to the legislative fiscal analyst by June 1, 1992.

CRIME CONTROL DIVISION (4107)

1. Justice System Support Service (01)										
442,801	58,665	166,462			667,928	442,958	58,665	156,462		658,085
a. Audit (Line Item)										
5,176					5,176					
b. Crime Victims' Compensation Pass-Through Grants (Line Item)										
	379,920				379,920		379,920			379,920
c. Juvenile Justice Pass-Through Grants (Line Item)										
		221,500			221,500			221,500		221,500
d. Victims' Assistance Pass-Through Grants (Line Item)										
		224,000			224,000			224,000		224,000
e. Drug Education Pass-Through Grants (Line Item)										
		427,000			427,000			427,000		427,000
f. Drug Enforcement Pass-Through Grants (Line Item)										
		1,240,000			1,240,000			1,250,000		1,250,000
g. Narcotics Control -- Grant Administration (Line Item)										
27,000		18,101			45,101	54,000		1,102		55,102
h. Drug Enforcement Pass-Through Grants (Modified) (Line Item)										

	Fiscal 1992						Fiscal 1993					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
			904,000			904,000			921,000			921,000
i.	Juvenile Justice -- Support Services (Line Item)											
	7,500					7,500	7,500					7,500
j.	Victims' Assistance -- Grant Administration (Line Item)											
		29,116				29,116		25,985				25,985
k.	Victims' Assistance Pass-Through Grants (Modified) (Line Item)											
			109,000			109,000			109,000			109,000
l.	Drug Education -- Grant Administration (Line Item)											
			11,720			11,720			11,720			11,720
m.	Drug Education Pass-Through Grants (Modified) (Line Item)											
			115,218			115,218			115,218			115,218
n.	SB 321 -- Victim of DUI Offenders (Line Item)											
		73,038				73,038		72,538				72,538
o.	SB 370 -- D.A.R.E. Program (Line Item)											
		16,200				16,200		16,200				16,200
p.	SB 379 -- Probation and Parole Officer Standards (Line Item)											
	6,579					6,579	100					100
2.	Budget Reduction (Line Item)											
	2,412					2,412	2,522					2,522
Total												
	486,644	556,939	3,437,001			4,480,584	502,036	553,308	3,437,002			4,492,346

Items 1b through 1f, 1h, 1k, and 1m are biennial appropriations.

Item 1o is contingent on passage and approval of Senate Bill No. 370.

Item 1p is contingent on passage and approval of Senate Bill No. 379.

	Fiscal 1992						Fiscal 1993					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total		General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
						All remaining federal pass-through grant appropriation authority for the 1991 biennium is authorized to continue into fiscal 1992 and fiscal 1993.						
						The board of crime control shall charge tuition and fees sufficient to reimburse the general fund for costs associated with the juvenile justice training program and for technical assistance provided to local law enforcement agencies. The tuition and fees collected must be deposited in the general fund.						
						HIGHWAY TRAFFIC SAFETY (4108)						
						1. Highway Traffic Safety Division (36)						
200,000	74,087	904,614			1,178,701		200,000	74,686	903,504			1,178,190
						a. Audit (Line Item)						
	1,013	1,013			2,026							
						2. Budget Reduction (Line Item)						
1,000					1,000		1,000					1,000
						Total						
199,000	75,100	905,627			1,179,727		199,000	74,686	903,504			1,177,190
						DEPARTMENT OF JUSTICE (4110)						
						1. Legal Services Division (01)						
845,681	311,771				1,157,452		938,193	212,972				1,151,165
						a. Case-Related Travel (Line Item)						
9,500					9,500		9,500					9,500
						b. Legal Fees and Expert Witnesses (Line Item)						
100,000					100,000							
						c. Attorney-Indian Legal Jurisdiction (Line Item)						
47,837					47,837		43,239					43,239
						d. Litigation Costs (Line Item)						
400,000					400,000							
						2. Agency Legal Services (06)						

	Fiscal 1992						Fiscal 1993					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
				571,894		571,894				571,855		571,855
3.	Gambling Control Division (07)											
		1,387,007				1,387,007		1,386,606				1,386,606
	a. Gambling Control Expansion (Line Item)											
		305,785				305,785		207,001				207,001
4.	Motor Vehicle Division (12)											
	4,619,289	124,254	48,537			4,792,080	4,641,381	85,419	48,534			4,775,334
	a. HB 646 -- Additional Handicap Parking Display Cards (Line Item)											
	15,000					15,000	2,500					2,500
	b. HB 568 -- Driver's License Express Stations (Line Item)											
	708,000					708,000	710,000					710,000
5.	Highway Patrol Division (13)											
		10,800,052	486,937			11,286,989		10,658,603	485,011			11,143,614
	a. Additional Patrol Officers and Dispatchers (Line Item)											
		302,290				302,290		211,109				211,109
	b. Handheld Radios (Line Item)											
		51,000				51,000						
6.	Law Enforcement Services Division (18)											
	902,303	348,539	21,196			1,272,038	881,303	327,085	31,044			1,239,432
	a. Special Investigation -- West (Line Item)											
	121,327		336,898			458,225	458,199					458,199
	b. Fire Prevention Grant (Line Item)											
			9,976			9,976						
	c. Identification Bureau Federal Grant (Line Item)											
			88,636			88,636			88,643			88,643

	Fiscal 1992						Fiscal 1993					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
d. HB 809 -- Fire Marshal Bureau Expansion (Line Item)	159,667					159,667	163,000					163,000
7. County Attorney Payroll (19)	1,014,148					1,014,148	1,015,435					1,015,435
a. HB 155 -- County Attorney Salary Increase (Line Item)	136,000					136,000	333,000					333,000
8. Law Enforcement Academy Division (22)	607,208					607,208	606,858					606,858
9. Central Services Division (28)	167,823	196,198		9,334		373,355	169,654	196,952		9,401		376,007
a. Audit (Line Item)	16,628	19,440		925		36,993						
10. Data Processing Division (29)	651,393	240,969				892,362	645,373	246,847				892,220
a. Data Processing Air Conditioner (Line Item)	45,000					45,000	4,400					4,400
11. Extradition and Transportation of Prisoners (30)	193,648					193,648	193,640					193,640
12. Forensic Science Division (32)	930,630	243,667				1,174,297	864,061	226,237				1,090,298
13. Budget Reduction (Line Item)	55,436					55,436	54,015					54,015
Total	11,635,646	14,330,972	992,180	582,153		27,540,951	11,625,721	13,758,831	653,232	581,256		26,619,040

	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
	Fiscal 1992					
	Fiscal 1993					

Items 1b and 1d are biennial appropriations.

The legislature recognizes that costs associated with the Crow coal case, water rights, and tribal litigation may exceed the appropriation in item 1, and in that event, the department will need to request a supplemental appropriation from the 1993 legislature to adequately represent the state.

Item 4b is contingent on passage and approval of House Bill No. 568.

If federal or other funds can be obtained for item 6a in fiscal 1993, the federal or other funds must replace the general fund appropriation in item 6a and the general fund appropriation must be reduced by the amount of federal or other funds received. The total appropriation contained in item 6a may not be increased.

Item 6d is contingent on passage and approval of House Bill No. 809.

Item 7a is contingent on passage and approval of House Bill No. 155. In the event that a pay plan bill is passed and approved that includes salary increases for county attorneys, item 7a must be reduced by the amount included in the pay plan bill for county attorney salaries.

DEPARTMENT OF HIGHWAYS (5401)

	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
1. General Operations Program (01)						
	6,534,444	1,988,234				8,522,678
	6,311,881	1,986,661				8,298,542
a. Audit (Line Item)						
	71,028					71,028
b. Road Reporting System (Line Item)						
	12,750					12,750
	13,630					13,630
c. Map Digitizing (Line Item)						
	120,000					120,000
	120,000					120,000
d. Kalispell Bypass Study (Line Item)						
		150,000				150,000
e. SB 164 -- Department of Transportation Organization Costs (Line Item)						
	105,128					105,128
	30,061					30,061
2. Construction Program (02)						
	63,254,325	142,709,034				205,963,359
	66,640,533	144,241,767				210,882,300

	Fiscal 1992					Fiscal 1993					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
a.	City Park Rest Areas (Line Item)											
	200,000					200,000		200,000				200,000
3.	Maintenance Program (03)											
		46,944,095				46,944,095		46,728,864				46,728,864
a.	Monitoring/Upgrading Underground Fuel Tanks (Line Item)											
		1,109,800				1,109,800		1,109,800				1,109,800
4.	State Motor Pool (07)											
				748,341		748,341				594,076		594,076
5.	Equipment Program (08)											
				13,390,277		13,390,277				13,249,710		13,249,710
6.	Interfund Transfers Program (11)											
		14,208,404				14,208,404		17,149,771				17,149,771
7.	Stores Inventory (12)											
		15,460,726				15,460,726		14,901,886				14,901,886
8.	Gross Vehicle Weight Division (22)											
		3,540,044				3,540,044		3,637,061				3,637,061
a.	Automated Weigh Stations (Line Item)											
		243,820				243,820		68,700				68,700
b.	Gross Vehicle Weight Officer Training (Line Item)											
		30,165				30,165		25,165				25,165
Total												
		151,834,729	144,847,268	14,138,618		310,820,615		156,937,352	146,228,428	13,843,786		317,009,566

The department is directed to submit to the 1993 legislature a construction work plan for the 1995 biennium that is detailed by year and project. This work plan must specify, by road system or project area, proposed projects on which $1 million or more would be spent during the 1995 biennium and an aggregate

	Fiscal 1992						Fiscal 1993					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total

cost for projects with anticipated expenditures of less than $1 million. Costs must be detailed by year and project.

The department may adjust appropriations and FTE in the construction, interfund transfers, and maintenance programs between fiscal years to reflect actual expenditures related to the construction work plan and maintenance activities.

The department may adjust appropriations in the construction program between fund types, provided that the adjustment does not exceed 10% of the total appropriation established by the legislature for the construction program. All transfers between fund types must be fully explained and justified on budget documents submitted to the office of budget and program planning, and all fund transfers of over $1 million in any 30-day period must be communicated to the legislative finance committee in a written report.

The department is directed to conduct a cost responsibility study to determine the appropriate ratio of highway user fees based on road wear caused by each type of user. The department shall provide a report of study results and a recommended fee structure to the legislative finance committee by June 1, 1992.

DEPARTMENT OF REVENUE (5801)

1.	Director's Office (01)											
	809,347		168,644	428,424		1,406,415	815,409		168,425	428,716		1,412,550
	a.	Audit (Line Item)										
	32,474	1,563		89,079		123,116						
2.	Centralized Services Division (02)											
	778,656	8,607				787,263	775,416	8,589				784,005
3.	Data Processing Division (03)											
	970,323	43,525		450,445		1,464,293	965,910	43,428		451,108		1,460,446
	a.	Workers' Compensation Payroll Tax (Line Item)										
		39,887				39,887		34,165				34,165
4.	Liquor Division (05)											
	a.	Liquor Licensing Bureau (Line Item)										
				249,743		249,743				249,656		249,656
5.	Income Tax (06)											
	3,348,123	286,506				3,634,629	3,299,224	293,880				3,593,104

	Fiscal 1992					Fiscal 1993				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
a.	Workers' Compensation Payroll Tax (Line Item)											
		91,992				91,992		75,074				75,074
b.	Accounts Receivable (Line Item)											
	91,931					91,931	78,141					78,141
c.	Equipment Replacement (Line Item)											
	66,389					66,389	27,614					27,614
d.	Computer Processing Costs (Line Item)											
	98,384					98,384	72,417					72,417
e.	Revenue Collection (Line Item)											
	91,713					91,713	78,723					78,723
6.	Corporation Tax (07)											
	1,122,194	63,186	129,145			1,314,525	1,124,159	63,193	129,156			1,316,508
7.	Property Tax Division (08)											
a.	Elected and Deputy Assessors											
	1,649,662					1,649,662	1,651,923					1,651,923
b.	Appraisers and Other Assessors											
	6,558,578					6,558,578	6,557,512					6,557,512
c.	Property Assessment Program											
	2,956,963					2,956,963	2,956,882					2,956,882
d.	Cyclical Reappraisal Costs (Line Item)											
	22,000					22,000	249,000					249,000
e.	Computer-Assisted Mass Appraisal System (CAMAS) Costs (Line Item)											
	333,281					333,281	276,281					276,281
8.	Motor Fuel Tax (10)											
		620,119				620,119		617,287				617,287

	Fiscal 1992						Fiscal 1993					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
9. Budget Reduction (Line Item)												
	94,138					94,138	94,195					94,195
Total	18,835,880	1,155,385	297,789	1,217,691		21,506,745	18,834,416	1,135,616	297,581	1,129,480		21,397,093

Liquor division proprietary funds necessary to maintain adequate inventories of liquor and wine and to operate the state liquor operation are appropriated. During the 1993 biennium, the division shall attempt to return at least 10% of net sales. Net sales are gross sales less discounts and excise taxes collected. The division shall limit operational expenses of the liquor merchandising system to not more than 15% of the net sales. Operational expenses may not include product costs, freight charges, expenses allocable to other divisions, or licensing bureau expenses.

Funds appropriated in item 7e may be used only for consulting contracts to support CAMAS or to support appraisers' use of CAMAS, for debt service costs to fund equipment acquisition, and for computer maintenance contracts.

DEPARTMENT OF ADMINISTRATION (6101)

1. Director's Office (01)												
	232,354		61,572			293,926	229,139			60,818		289,957
2. Accounting Program (03)												
	1,020,986		29,350			1,050,336	1,005,187			29,297		1,034,484
a. Audit (Line Item)												
	38,771					38,771						
3. Architecture and Engineering Program (04)												
		672,098		664,006		1,336,104		682,019			672,552	1,354,571
a. Audit (Line Item)												
		1,370				1,370						
b. Capitol Restoration Commission (Line Item)												
		11,634				11,634		11,634				11,634
c. Expanded Long-Range Building Plan (Line Item)												

	Fiscal 1992						Fiscal 1993				
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
	51,242			51,242	102,484		53,670			53,670	107,340
4. Procurement and Printing Division (06)											
420,824			6,111,843		6,532,667	421,166			6,380,662		6,801,828
a. Audit (Line Item)											
			19,788		19,788						
b. Pass-Through Printing (Line Item)											
			3,412,515		3,412,515				3,543,765		3,543,765
c. Federal Surplus Property (Line Item)											
			87,000		87,000				87,000		87,000
5. Information Services Division (07)											
a. Audit (Line Item)											
			58,140		58,140						
b. Contracted Systems Development (Line Item)											
			200,000		200,000						
c. Computer Services											
			7,982,061		7,982,061				8,193,261		8,193,261
d. Telecommunications											
			8,385,973		8,385,973				7,924,699		7,924,699
e. Emergency 911											
			75,567		75,567				76,712		76,712
f. Armory Computer Upgrade (Line Item)											
			75,000		75,000				75,000		75,000
g. Public Safety Communication (Line Item)											
			82,000		82,000				57,000		57,000
h. ISD -- Growth in Workload (Line Item)											

	Fiscal 1992						Fiscal 1993					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
				500,000		500,000				500,000		500,000
i.	ISD -- Networks (Line Item)											
				796,499		796,499				796,504		796,504
j.	Mainframe Disaster Backup (Line Item)											
				179,000		179,000				144,000		144,000
k.	Student Long Distance (Line Item)											
				323,768		323,768				323,771		323,771
l.	Telephone System Upgrades (Line Item)											
				229,000		229,000				229,000		229,000
m.	Family Services Computer System (Line Item)											
				78,200		78,200				93,200		93,200
6.	General Services Program (08)											
	241,750			2,275,260	58,419	2,575,429	250,164			2,347,743	58,426	2,656,333
a.	Audit (Line Item)											
				7,672		7,672						
b.	Utilities Cost (Line Item)											
	141,083			1,034,607		1,175,690	143,409			1,051,670		1,195,079
7.	Mail and Distribution Bureau (13)											
				1,639,686		1,639,686				1,642,234		1,642,234
a.	Audit (Line Item)											
				3,526		3,526						
b.	Postage Machines (Line Item)											
				6,500		6,500				6,500		6,500
c.	Expanded Mail Services (Line Item)											
				174,087		174,087				174,087		174,087

	Fiscal 1992						Fiscal 1993					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
8.	State Personnel Division (23)											
	922,039			500,037		1,422,076	917,491			502,944		1,420,435
	a. Audit (Line Item)											
				1,176		1,176						
	b. Group Insurance Benefits System (Line Item)											
				36,500		36,500				21,500		21,500
	c. State Employee Combined Campaign (Line Item)											
	10,000					10,000		10,000				10,000
	d. Professional Development Center Growth in Workload (Line Item)											
				9,112		9,112				21,180		21,180
	e. Communications for Group Insurance Requirements (Line Item)											
				8,000		8,000				8,000		8,000
	f. Genetics Program (Line Item)											
				20,252		20,252				20,252		20,252
9.	Tort Claims Division (24)											
				2,101,132		2,101,132				2,153,202		2,153,202
	a. Audit (Line Item)											
				7,036		7,036						
	b. Tort Claims -- Contracts (Line Item)											
				500,000		500,000				500,000		500,000
10.	State Tax Appeal Board (37)											
	427,807					427,807	427,361					427,361
11.	Budget Reduction (Line Item)											
	17,277					17,277	17,043					17,043

	Fiscal 1992					Fiscal 1993					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
3,428,337	746,344		37,011,859	773,667	41,960,207	3,376,874	757,323		36,964,001	784,648	41,882,846

Total

The deletion of the personal services reduction in state special revenue is contingent on passage and approval of House Bill No. 5.

Item 3b is contingent on passage and approval of House Bill No. 500.

Item 3c is contingent on passage and approval of House Bill No. 5.

Item 5b is a biennial appropriation.

The governor-elect program is appropriated all necessary expenses, up to $50,000 from the general fund in fiscal 1993, to implement the provisions of 2-15-221.

Item 5m is contingent on passage and approval of House Bill No. 569.

The department shall develop and submit a cost recovery plan for each of its proprietary operations to the office of budget and program planning and the legislative fiscal analyst by August 1, 1992.

Funds remaining in the capitol land grant account of the capital projects fund, after the appropriations are met for the general services division of the department of administration and any projects provided for in House Bill No. 5, are appropriated to the long-range building debt service fund for the payment of principal and interest on bond issues for public buildings at the capitol for executive, legislative, and judicial purposes, as outlined in section 12 of The Enabling Act. This appropriation is for the biennium ending June 30, 1993, and is not to exceed the annual debt service required on these bonds.

The appropriation in item 6 in the other column includes $58,801 in fiscal 1992 and $58,801 in fiscal 1993 from the capital projects fund.

In item 6, the department may charge a maximum of $3.28 a square foot in fiscal 1992 and $3.34 a square foot in fiscal 1993 for office space in state-owned buildings.

Item 6b may be used only to pay utilities costs.

The department may charge a maximum overhead rate of 6% each year in item 7.

Item 8f is contingent on passage and approval of House Bill No. 696.

The department is appropriated funds to pay the deductible portion of each claim incurred and covered by a deductible insurance plan from the deductible reserve fund authorized in 2-9-202(2).

By July 15, 1992, the tort claims division shall present to the legislative finance committee proposed changes in the method or methods of determining and allocating insurance premiums to state agencies. The division shall review with the legislative finance committee the proposal and potential fiscal impacts

	Fiscal 1992						Fiscal 1993					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
before the rate methodology is adopted and before premiums are included in agency budget requests by the office of budget and program planning.												
In item 9b, the department is authorized to hire 0.5 clerical FTE.												
The public service commission is considering a proposal allowing large state natural gas customers to purchase their own supplies of gas directly from gas producers. Recognizing the likelihood of a changing natural gas procurement environment, the governor is authorized, if the proposal is approved by the commission, to designate a lead agency to implement a coordinated natural gas procurement program for affected state agencies and the university system.												
STATE COMPENSATION MUTUAL INSURANCE FUND (6103)												
1. State Compensation Mutual Insurance Fund (01)												
	25,082		121,856,189			121,881,271			128,877,379			128,877,379
a. Audit (Line Item)												
			83,655			83,655						
b. Claims Management Program (Line Item)												
			912,563			912,563			910,494			910,494
c. Audit Bureau (Line Item)												
			304,304			304,304			303,699			303,699
d. HB 187 -- Construction Premiums (Line Item)												
			228,629			228,629			194,830			194,830
Total												
	25,082		123,385,340			123,410,422			130,286,402			130,286,402
Item 1d is contingent on passage and approval of House Bill No. 187.												
PUBLIC EMPLOYEES' RETIREMENT BOARD (6104)												
1. Public Employees' Retirement Program (35)												
					837,589	837,589					816,990	816,990
a. Audit (Line Item)												
					36,303	36,303						

	Fiscal 1992					Fiscal 1993					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
b. Public Employees' Retirement Division -- Rewrite Data Processing System (Line Item)					301,289	301,289					79,224	79,224
c. Program Improvements (Line Item)					50,387	50,387					56,952	56,952
Total					1,225,568	1,225,568					953,166	953,166

The amounts listed in items 1, 1a, 1b, and 1c are appropriated from the pension trust fund.

Contingent on passage and approval of House Bill No. 595, the board is appropriated $3,860 from pension trust funds in fiscal 1992 and $2,360 from pension trust funds in fiscal 1993.

Contingent on passage and approval of House Bill No. 711, the board is appropriated $5,000 from pension trust funds in fiscal 1992 and $5,000 from pension trust funds in fiscal 1993.

Contingent on passage and approval of Senate Bill No. 226, the board is appropriated $25,000 from pension trust funds in fiscal 1992 and $5,000 from pension trust funds in fiscal 1993.

TEACHERS' RETIREMENT BOARD (6105)

1. Teachers' Retirement Program (01)					469,647	469,647					461,222	461,222
a. Audit (Line Item)					23,676	23,676						
b. Data Processing and Service Upgrades (Line Item)					147,380	147,380					108,380	108,380
c. System Enhancements for Legislated Changes (Line Item)					25,000	25,000						
Total												

	Fiscal 1992						Fiscal 1993					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
					665,703	665,703					569,602	569,602

The amounts listed in items 1, 1a, 1b, and 1c are appropriated from the pension trust fund.

Item 1c is contingent on passage and approval of Senate Bill No. 226.

DEPARTMENT OF MILITARY AFFAIRS (6701)

1.	Administration Program (01)											
	217,838					217,838	217,991					217,991
	a.	Audit (Line Item)										
	5,920					5,920						
2.	Army National Guard Program (12)											
	900,880		1,108,021			2,008,901	908,451		1,116,411			2,024,862
	a.	Repair and Maintenance (Line Item)										
	186,000					186,000						
	b.	Environmental Program (Line Item)										
	9,275		41,099			50,374	9,228		40,833			50,061
3.	Air National Guard Program (13)											
	180,429		1,402,315			1,582,744	182,313		1,411,460			1,593,773
	a.	Repair and Maintenance (Line Item)										
	14,000		42,000			56,000						
4.	Disaster Coordination Response (21)											
	218,140		235,009			453,149	217,697		234,558			452,255
	a.	Audit (Line Item)										
	4,262		4,262			8,524						
5.	Emergency Management Development (24)											
			263,904			263,904			263,572			263,572
	a.	Audit (Line Item)										

	Fiscal 1992						Fiscal 1993					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
			3,314			3,314						
	b. Earthquake Program (Line Item)											
			46,187			46,187			46,190			46,190
6.	Local Reimbursement -- DES (29)											
			564,000			564,000			540,000			540,000
7.	Veterans' Affairs Program (31)											
	468,438	9,672	35,557			513,667	468,162	9,669	35,456			513,287
	a. Audit (Line Item)											
	5,918					5,918						
	b. Veterans' Cemetery Construction (Line Item)											
		22,500				22,500		31,500	45,000			76,500
8.	Budget Reduction (Line Item)											
	11,055					11,055	10,019					10,019
Total												
	2,200,045	32,172	3,745,668			5,977,885	1,993,823	41,169	3,733,480			5,768,472

Items 2a and 3a are biennial appropriations.

In item 3, up to two firefighter FTE may be added if the current contract is modified or becomes unnecessary.

In item 5b, the department shall direct the earthquake program to local schools to the maximum extent possible.

Item 7b is contingent on passage and approval of House Bill No. 723.

TOTAL SECTION A											
55,350,474	173,303,647	154,675,695	176,816,555	2,664,938	562,811,309	54,909,322	177,204,264	155,703,117	183,274,369	2,307,416	573,398,488

	Fiscal 1992						Fiscal 1993					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
					B. HUMAN SERVICES							
DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES (5301)												
1.	Director's Office (01)											
	136,421		43,874	386,783		567,078	133,586		43,844	384,008		561,438
	a. Personnel Specialist (Line Item)											
				25,529		25,529				25,472		25,472
	b. Legal Services Charge System (Line Item)											
	82,897					82,897	82,897					82,897
2.	Central Services (02)											
	575,412	825,063	213,254	785,266		2,398,995	562,668	779,045	211,795	786,845		2,340,353
	a. Audit (Line Item)											
				53,666		53,666						
	b. Laboratory Contingency (Line Item)											
		100,000				100,000						
	c. Support Staff (Line Item)											
				46,922		46,922				46,818		46,818
	d. Newborn Pku Screening (Line Item)											
		76,552				76,552		28,772				28,772
	e. Safe Drinking Water -- Laboratory Certification (Line Item)											
		40,479				40,479		39,853				39,853
	f. Safe Drinking Water -- Public Health Laboratory (Line Item)											
		39,847				39,847		39,306				39,306
3.	Environmental Sciences (03)											
	899,129	1,341,069	728,237	145,559		3,113,994	891,306	1,340,240	715,549	142,903		3,089,998
	a. Air Quality (Line Item)											

	Fiscal 1992					Fiscal 1993				
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
	84,972	248,386			333,358		80,771	247,976			328,747
b. Asbestos Control (Line Item)											
	92,919				92,919		92,239				92,239
c. Natural Resources Lawsuit (Line Item)											
	4,908,049				4,908,049						
d. Air Quality -- Permits (Line Item)											
	301,338				301,338		297,979				297,979
e. Pay Exceptions -- Environmental Specialist (Line Item)											
	24,128	58,799			82,927		23,715	57,825			81,540
f. HB 987 -- Regulation of Public Accommodations (Line Item)											
	10,125				10,125		10,125				10,125
g. HB 988 -- Regulation of Campgrounds, Trailer Courts, Etc. (Line Item)											
	15,750				15,750		15,750				15,750
h. HB 989 -- Regulation of Food Establishments (Line Item)											
	165,000				165,000		165,000				165,000
i. HB 994 -- Regulation of Swimming Pools (Line Item)											
	76,500				76,500		76,500				76,500
4. Solid and Hazardous Waste (04)											
185,149	2,253,395	7,504,734			9,943,278	183,227	2,264,333	7,483,177			9,930,737
a. Hazardous Waste (Line Item)											
	48,628	147,306			195,934		47,823	144,889			192,712
b. Landfill Management (Line Item)											
	138,367				138,367		136,501				136,501
c. Landfill Management -- EQC (Line Item)											
	297,066				297,066		298,376				298,376

	Fiscal 1992					Fiscal 1993				
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
d. BN/ARCO Special Projects (Line Item)											
	312,348				312,348		308,898				308,898
e. Pay Exceptions -- Environmental Specialist (Line Item)											
13,725	125,490	99,973			239,188	13,491	124,583	98,317			236,391
f. Exemption for Noncommercial Waste -- HB 660 (Line Item)											
	95,008				95,008		95,008				95,008
5. Water Quality (05)											
169,562	521,550	2,079,210			2,770,322	167,493	516,550	2,057,121			2,741,164
a. Agriculture Monitoring (Line Item)											
	15,000				15,000		15,000				15,000
b. Ground Water Pollution (Line Item)											
		112,373			112,373			111,203			111,203
c. Wastewater Operators (Line Item)											
	10,787				10,787		8,901				8,901
d. Subdivisions (Line Item)											
44,386					44,386	40,213					40,213
e. Safe Drinking Water (Line Item)											
	625,017	303,823			928,840		622,756	302,363			925,119
f. Nonpoint Source Pollution (Line Item)											
		1,423,271			1,423,271			1,422,188			1,422,188
g. Ground Water -- EQC (Line Item)											
	101,494				101,494		99,903				99,903
h. Ground Water -- EQC Lawyer (Line Item)											
		46,378			46,378			45,590			45,590
i. Pay Exceptions -- Environmental Specialist (Line Item)											

	Fiscal 1992						Fiscal 1993					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
	7,647	42,983	75,215			125,845	7,516	45,023	73,969			126,508
	j. SB 136 -- Water Quality Districts (Line Item)											
		18,539				18,539		18,504				18,504
6.	Health Services and Medical Facilities (06)											
	476,282	45,753	230,678			752,713	469,155	45,455	231,110			745,720
	a. HB 445 -- Health Planning Specialist (Line Item)											
	16,289					16,289	16,251					16,251
7.	Family/Maternal and Child Health Bureau (07)											
	101,985		15,082,316			15,184,301	101,272		14,859,001			14,960,273
	a. Child Nutrition (Line Item)											
			1,634,000			1,634,000			2,642,000			2,642,000
	b. WIC (Line Item)											
			1,122,486			1,122,486			1,122,486			1,122,486
	c. MIAMI Program (Line Item)											
	171,468					171,468	169,608					169,608
8.	Preventive Health Bureau (08)											
	217,576	60,020	1,120,301			1,397,897	216,795	65,874	1,111,683			1,394,352
	a. Chronic Disease Prevention (Line Item)											
			40,054			40,054			39,850			39,850
	b. AIDS Education (Line Item)											
			20,000			20,000			20,000			20,000
	c. Sexually Transmitted Diseases (Line Item)											
			79,556			79,556			78,656			78,656
	d. AIDS (Line Item)											
			33,583			33,583			32,751			32,751

	Fiscal 1992						Fiscal 1993					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
e.	Vaccine (Line Item)											
			103,540			103,540			101,774			101,774
9.	Licensing and Certification (09)											
	450,760		912,381			1,363,141	466,089		876,281			1,342,370
a.	OBRA (Line Item)											
	47,681		802,065			849,746	64,101		724,616			788,717
b.	Hearings -- OBRA (Line Item)											
	10,275		126,727			137,002	13,700		123,302			137,002
Total												
	3,606,644	12,813,236	34,392,520	1,443,725		52,256,125	3,599,368	7,702,783	34,979,316	1,386,046		47,667,513

Item 3c is a biennial appropriation.

The total appropriation for the department includes $2,204,426 in fiscal 1992 and $2,204,426 in fiscal 1993 from the maternal and child health block grant. To the extent revenue from the grant exceeds these amounts, it must be distributed to the counties, based upon identifiable needs. To the extent revenue from the grant is less than these amounts, allocations must be reduced proportionately among state programs and grants to counties.

The total appropriation for the department includes $644,771 in fiscal 1992 and $644,771 in fiscal 1993 from the preventive health block grant. To the extent revenue from the grant exceeds these amounts, it must be distributed at the discretion of the director of the department, based upon identifiable health care needs. To the extent revenue from the grant is less than these amounts, the director of the department shall make program reductions.

Funds appropriated to the department for indirect cost recovery may be expended only for that purpose.

The director's office includes $82,897 of general fund money each year within the legal unit that may be used only to pay legal services billed to programs funded by the general fund within the department. None of this appropriation may be transferred to other programs.

Item 2 includes a total of $25,000 of general fund each year that must be used to perform tests as needed on behalf of the food and consumer safety and occupational health bureaus within the department. If these funds are not needed for testing in the food and consumer safety and occupational health bureaus, they may be expended for other services within the laboratories.

It is the intent of the legislature that the department determine the feasibility of funding the public health and chemistry laboratories through

	Fiscal 1992					Fiscal 1993				
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total

proprietary and special revenue accounts with little or no use of general fund money, except as specified to support testing for the food and consumer safety and occupational health bureaus. If the department determines that such accounting is feasible and saves general fund money, then on or after July 1, 1991, the department may request that the approving authority authorize a proprietary account and reduce the general fund appropriation by a like amount. If this occurs, the general fund appropriation must remain at $25,000 to provide necessary testing for the food and consumer safety and occupational health bureaus.

Item 2b is a biennial appropriation that may be used only if the demand for reimbursable services requires expenditures for supplies, materials, and communications in excess of the appropriated levels of $184,820 in fiscal 1992 and $184,597 in fiscal 1993.

The department is authorized to receive an interentity loan from the general fund for no more than $4,928,894 for the purpose of conducting the Clark Fork natural resources damage assessment and litigation against the atlantic richfield company (ARCO). Repayment of this loan is extended through the end of the 1993 biennium in accordance with 17-2-107. The repayment must include interest on the amount loaned at a rate commensurate with rates earned in the short-term investment pool.

The natural resource damage litigation program policy committee is formed to ensure cooperation and unity among the state's natural resource agencies in carrying out their responsibilities as representatives of the governor, who is the trustee of the state's natural resources. The policy committee shall guide and make natural resource damage litigation program policy recommendations. The appropriation of $4,928,894 to continue the natural resources lawsuit against ARCO must be overseen by the policy committee, which consists of the following individuals or their designated representatives: the governor's energy and environmental policy advisor; the directors of the departments of health and environmental sciences and fish, wildlife, and parks; and the commissioner of the department of state lands. The attorney general or his designated representative may act in an advisory capacity to the natural resource damage litigation program policy committee.

None of the appropriation for the licensing, certification, and construction bureau may be transferred to any other program in the department.

The legislative fiscal analyst is directed to recalculate the indirect cost assessments to department programs, using the following rates applied to 100% of personal services:

	FY 92	FY 93
General Rate	14.00%	12.00%
Environmental Sciences Division	3.00%	3.00%
Statewide Cost Allocation	3.75%	3.75%

Items 3e, 4e, and 5i may be used only to pay for the blanket "pay exception -- environmental specialist" class series and associated indirect costs,

	Fiscal 1992					Fiscal 1993				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
authorized by the department of administration on April 11, 1991.												
Items 3f, 3g, 3h, and 3i are contingent on passage and approval of House Bill Nos. 987, 988, 989, and 994 respectively.												
Item 4f is contingent on passage and approval of House Bill No. 660.												
DEPARTMENT OF LABOR AND INDUSTRY (6602)												
1. Job Service Division (01)												
		88,244	11,386,520			11,474,764		88,236	11,336,977			11,425,213
a. Federal Economic Dislocated Worker Adjustment and Assistance/Trade Adjustment Assistance Program (Line Item)												
			247,869			247,869			247,534			247,534
b. Jobs for Montana Graduates (Line Item)												
			126,517			126,517			124,485			124,485
2. Unemployment Insurance (02)												
			3,741,488			3,741,488			3,701,445			3,701,445
a. Unemployment Insurance Accounts Receivable (Line Item)												
			126,312			126,312			102,208			102,208
3. Commissioner/Centralized Services (03)												
				2,711,023		2,711,023				2,664,153		2,664,153
a. Audit (Line Item)												
				66,293		66,293						
4. Employment Relations (04)												
	434,423	1,359,095	680,030	389,277		2,862,825	405,167	1,317,950	684,365	389,094		2,796,576
a. Consideration of Investment Income -- HB 187 (Line Item)												
		44,438				44,438		38,485				38,485
b. HB 342 -- Implementation (Line Item)												
		45,400				45,400		39,445				39,445
5. Legal Services Division (06)												

	Fiscal 1992					Fiscal 1993				
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
	243,463	458,877	133,095		835,435		244,610	461,562	132,946		839,118
6. Research, Safety, and Training (07)											
	727,437	2,027,353			2,754,790		728,061	1,995,263			2,723,324
7. Human Rights Commission (08)											
283,438		101,470			384,908	288,063		101,463			389,526
a. Human Rights Backlog (Line Item)											
44,267					44,267	37,322					37,322
8. Workers' Compensation Judge (09)											
	356,165				356,165		355,643				355,643
9. Job Training Grants (50)											
		13,940,510			13,940,510			14,158,765			14,158,765
a. Project Work Program Contracts (Line Item)											
		286,145			286,145			286,145			286,145
b. Federal Economic Dislocated Worker Adjustment and Assistance/Trade Adjustment Assistance Grants (Line Item)											
		596,435			596,435			664,793			664,793
c. Job Training Partnership Act Funding (Line Item)											
		1,267,759			1,267,759			1,732,241			1,732,241
Total											
762,128	2,864,242	34,987,285	3,299,688		41,913,343	730,552	2,812,430	35,597,246	3,186,193		42,326,421

All unappropriated revenue to and fund balance in the unemployment insurance administrative tax account is appropriated to a reserve fund for job service administrative costs, except amounts, up to $100,000 per fiscal year, necessary to comply with federal requirements that a cost allocation plan for nonunemployment insurance tax collections be established. The amount of unappropriated funds for deposit into the reserve must be determined after all other unemployment insurance administrative tax appropriations are funded. The job service reserve fund must be maintained within the unemployment insurance administrative tax account. Interest earned on the job service reserve must be deposited into the job service reserve fund. Sufficient funds from the job service reserve are appropriated

	Fiscal 1992						Fiscal 1993					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total

to the department to fund the job service federal fund appropriation in fiscal 1992 and fiscal 1993, contingent upon receipt of federal funds for the support of job service functions that are less than the level received in fiscal 1991. Funds in the job service reserve may not be transferred to the unemployment insurance trust fund until January 30, 1993, except in the case that an amount is necessary to reduce the employer contribution schedule for the coming year. Any transfer prior to January 30, 1993, must be reviewed by the legislative finance committee.

The department, in concert with other interested parties, shall prepare formal guidelines for use of the unemployment insurance administrative tax funds and present these guidelines to the 53rd legislature. At a minimum, the guidelines must include a prioritization of programs and activities to be funded. The criteria for prioritization must include the following considerations:

(1) loss of federal funding, impact on rural communities, and employer/employee-related functions; and

(2) the establishment and maintenance of a reserve fund to ensure that employment security services continue in the event of federal fund reductions.

The department shall provide information to the 53rd legislature regarding the actual amount collected by the 3 FTE added to collect unemployment insurance accounts receivable.

The department is appropriated up to $1 million each year from funds referred to in 39-71-502 and 39-71-901 to pay uninsured employer and subsequent injury benefits as required by 39-71-503 and 39-71-907.

Funds appropriated in item 1b must be distributed to the office of public instruction for administration of the jobs for Montana's graduates program.

Item 4 is increased by $68,916 in fiscal 1992 and by $70,143 in fiscal 1993 (state special revenue) if House Bill No. 837 is not passed into law.

Item 4a is contingent on passage and approval of House Bill No. 187.

Item 4b is contingent on passage and approval of House Bill No. 342.

Contingent on passage and approval of Senate Bill No. 228, the budget director shall increase item 8 by the amount necessary to bring the salary and benefits of the workers' compensation judge to the levels authorized by Senate Bill No. 228 less any increase provided for in the pay plan bill.

Funds appropriated in item 9c to replace federal fund reductions in Job Training Partnership Act (JTPA) programs statewide are one-time only funds and may be used only if and to the extent federal JTPA funds allocated to the state are less than the amount allocated in state fiscal year 1991. Unspent funds revert to the job service reserve fund in the unemployment insurance administrative tax account.

The amount of unemployment insurance administrative tax funding for the jobs for Montana's graduates program may not be increased.

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES (6901)

1. Family Assistance (01)

	Fiscal 1992					Fiscal 1993				
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
14,664,197	724,364	44,743,522			60,132,083	14,542,550	721,346	44,703,905			59,967,801
a. Food Stamp Employment and Training (Line Item)											
		96,000			96,000			96,000			96,000
b. Day-Care Rate Increase (Line Item)											
33,404		84,673			118,077	57,550		147,256			204,806
c. Food Stamp Job Search Support (Line Item)											
43,750					43,750	43,750					43,750
d. Statewide Jobs Program (Line Item)											
709,367		1,931,001			2,640,368	709,367		1,931,001			2,640,368
e. AFDC/General Assistance at 42% of Federal Poverty Index (Line Item)											
537,529	29,142	1,135,730			1,702,401	1,199,824	67,125	2,622,980			3,889,929
2. Eligibility Determination Program (03)											
2,463,835	2,436,980	4,523,828			9,424,643	2,461,200	2,434,448	4,519,060			9,414,708
3. Administrative and Support Services (04)											
616,796	307,237	1,517,425		1	2,441,459	616,875	308,621	1,522,310		1	2,447,807
a. Audit (Line Item)											
68,690	6,284	74,974			149,948						
b. Grant Writing (Line Item)											
11,250	11,250	22,500			45,000	11,250	11,250	22,500			45,000
4. Child Support Enforcement (05)											
	1,225,772	2,443,455			3,669,227		1,215,076	2,441,553			3,656,629
a. Contracted Employees (Line Item)											
	126,991	246,512			373,503		129,124	250,652			379,776
b. Collection of Parental Contribution to Out-of-Home Care -- HB 993 (Line Item)											
	10,145	19,692			29,837		10,294	19,981			30,275

	Fiscal 1992					Fiscal 1993				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
5.	State-Assumed County Administration (06)											
	606,151		500,578			1,106,729	606,639		500,752			1,107,391
6.	Medical Assistance (07)											
	53,699,220	7,590,929	169,946,054			231,236,203	54,611,324	7,975,494	174,077,061			236,663,879
	a.	OBRA-90 (Line Item)										
	438,298		1,025,486			1,463,784	1,477,222		3,257,934			4,735,156
	b.	Hospital Rate Study/Cost Containment (Line Item)										
	292,080		142,080			434,160	191,300		41,300			232,600
	c.	Baby Your Baby (Line Item)										
		134,000	134,000			268,000						
	d.	Nurses' Aide Testing (Line Item)										
	86,400		86,400			172,800	86,400		86,400			172,800
	e.	Nursing Home Rate Rebase (Line Item)										
	1,110,746		2,815,539			3,926,285	2,644,514		6,766,569			9,411,083
	f.	Elderly Waiver Expansion (Line Item)										
	74,888		189,827			264,715	100,134		256,216			356,350
	g.	Residential Psychiatric (Line Item)										
			4,490,088			4,490,088			4,516,295			4,516,295
	h.	Increase Ob/Gyn/Ped Physicians' Rates (Line Item)										
	1,027,510		2,604,553			3,632,063	1,360,813		3,481,937			4,842,750
	i.	Health Clinics Expansion (Line Item)										
	18,388		46,612			65,000	18,265		46,735			65,000
	j.	Hospital Rate Rebase (Line Item)										
							920,613		2,355,590			3,276,203
	k.	Ambulance Provider Increase (Line Item)										

	Fiscal 1992					Fiscal 1993					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
	139,729		354,189			493,918	138,791		355,127			493,918
l.	Pregnant Women Targeted Case Management (Line Item)											
	139,484		353,566			493,050	138,574		354,572			493,146
m.	Provider Rate Increase (Line Item)											
	3,181		8,068			11,249	6,354		16,258			22,612
n.	Operating Cost Implementation of SB 391 (Line Item)											
	62,298		119,299			181,597	86,551		90,752			177,303
o.	Managed Care Benefit Costs of SB 391 (Line Item)											
							143,566		367,346			510,912
p.	Targeted Case Management Benefits Costs for the Mentally Ill -- SB 391 (Line Item)											
			1,510,752			1,510,752			1,524,996			1,524,996
q.	Federal Medicaid Reimbursement for State Institutions -- HB 93 (Line Item)											
			104,334			104,334			109,288			109,288
7.	Audit and Program Compliance Division (08)											
	578,770	7,445	809,479			1,395,694	578,628	7,430	809,185			1,395,243
8.	Office of Management, Analysis, and Systems (09)											
	1,860,054	534,238	3,083,450	1		5,477,743	2,074,546	578,011	3,474,121			6,126,678
a.	TDD Project Implementation (Line Item)											
		67,072				67,072		70,890				70,890
b.	TEAMS Operations (Line Item)											
	438,795					438,795	485,182					485,182
c.	SEARCHS Operations (Line Item)											
		396,337	3,567,031			3,963,368		226,975	1,322,777			1,549,752
9.	Vocational Rehabilitation Program (10)											
	970,616	688,058	6,416,932			8,075,606	969,586	687,966	6,278,353			7,935,905

		Fiscal 1992					Fiscal 1993				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
	a. JTPA Administration (Line Item)											
			15,000			15,000			15,000			15,000
	b. Provider Rate Increase (Line Item)											
	51,952		199,957			251,909	104,422		401,908			506,330
	c. JTPA Additional Training (Line Item)											
			25,000			25,000			25,000			25,000
	d. Program Expansion (Line Item)											
	155,455					155,455	155,455					155,455
10.	Disability Determination Program (11)											
			2,655,318			2,655,318			2,654,349			2,654,349
11.	Visual Services Program (13)											
	281,859		968,316			1,250,174	281,653		967,493			1,249,146
	a. Provider Rate Increase (Line Item)											
	7,204		21,654			28,858	14,476		43,520			57,996
*2.	Developmental Disabilities Program (14)											
	9,213,088		16,042,689			25,255,777	9,277,332		15,975,818			25,253,150
	a. Provider Rate Increase (Line Item)											
	931,226		328,892			1,260,118	1,916,428		676,848			2,593,276
	b. Program Expansion (Line Item)											
	181,779		467,431			649,210	181,779		467,431			649,210
	c. DD System Phase IV Implementation (Line Item)											
	725,745		568,430			1,294,175	1,213,331		1,517,728			2,731,059
	d. DD System Phase I and II Implementation (Line Item)											
	391,794		762,564			1,154,358	389,156		761,753			1,150,909
	e. DD Part H Expansion (Line Item)											

		Fiscal 1992					Fiscal 1993					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
	597,059		244,627			841,686	897,059		244,627			1,141,686
f.	Increased Title XIX Funding (Line Item)											
			500,000			500,000			500,000			500,000
g.	Montana Youth Initiative (Line Item)											
			86,000			86,000			86,000			86,000
h.	Chapter I OPI DD Treatment (Line Item)											
			90,000			90,000			90,000			90,000
i.	OBRA-87 (Line Item)											
							296,516		762,470			1,058,986
13.	Developmental Disabilities Advisory Council (15)											
			304,696			304,696			304,672			304,672
a.	DDPAC Grant Increased Administration (Line Item)											
			9,977			9,977			10,004			10,004
b.	DDPAC Grant Increased Benefits (Line Item)											
			32,500			32,500			32,500			32,500
Total												
	93,232,586	14,296,244	278,470,680	2		385,999,512	101,008,975	14,444,050	293,903,883	1		409,356,909

The department is authorized to retain 7.5% of the federal community services block grant and pass through the remaining 92.5% to the human resource development councils (HRDC). If, during fiscal 1992 or fiscal 1993, the block grant falls below the federal fiscal year 1990 grant level, the department shall retain only 5% and pass through the remaining 95% to the HRDCs.

Item 1b is funding for rate increases to day-care providers. Beginning October 1, 1991, the department shall increase day-care provider rates up to 75% of the "local market rate" (the maximum allowed under federal regulations). If federal regulations permit the use of funds from the new "child care and development block grant" for these increases, the department shall decrease the general fund appropriations by the amount of block grant funds available.

Item 1e is additional funding to set AFDC and general assistance payment levels at 42% of the federal poverty index.

Fiscal 1992						Fiscal 1993					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total

The department may, beginning October 1, 1991, pay AFDC recipients a transition-to-work allowance. The allowance may be used for travel and relocation expenses of the recipient and family to another county or state. AFDC recipients are eligible to receive this allowance under rules adopted by the department. The rules may establish limitations on the amount to be paid and require that the recipient have verification of employment, an employment interview, or acceptance into an approved educational or training program. Expenses for a transition-to-work allowance may be paid from the appropriation for AFDC benefits.

The state share of the AFDC-related support collections and all AFDC and non-AFDC federal incentive payments must be deposited in a state special revenue account from which the state's share of the administrative and operational costs of the child support enforcement program must be paid. The legislature intends that, during the 1993 biennium, the department collect $1.25 for each $1 expended for administrative and operational costs from the account. Expenditures made from the account for state medicaid match or development of the SEARCHS computer project are not considered administrative or operational expenditures for purposes of this requirement. Any cash fund balance in excess of $500,000 in the state special revenue account at the end of each fiscal year must be deposited in the state general fund.

The department is authorized to transfer funds among appropriations for medicaid primary care, medicaid nursing care, medicare buy-in, state medical, and the home and community-based waiver program. Except as provided below, funds transferred to the medicaid waiver program may not be used to increase the number of recipients receiving waiver services but must be used solely for covering cost increases above the appropriated level.

The department may utilize funds appropriated for medicaid nursing care to increase the number of recipients in the home and community-based waiver program during the 1993 biennium under the following conditions:

(1) During the 1993 biennium, no more than 25 nursing residents who are appropriate for waiver services may be transferred from nursing facilities to the waiver program.

(2) Per diem waiver costs for residents moved from nursing facilities may not exceed the statewide average medicaid per diem cost of intermediate nursing care.

(3) The department shall keep records of each resident transferred under this provision and submit to the 53rd legislature a report on the number of residents transferred and any cost savings achieved as a result of the transfers.

The legislature intends that expenditures for all executive budget modifications for provider rate increases approved by the legislature be limited to dollar amounts appropriated rather than percentage increases on which the original estimates may have been based. The department will be in compliance with this provision if:

(1) it estimates total costs for each medicaid service category in June, prior to the beginning of each fiscal year of the 1993 biennium; and

	Fiscal 1992					Fiscal 1993					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total

(2) the percentage increases or base adjustments approved by the department are limited to the dollar amount appropriated for each budget modification.

The department may not expand or reduce the amount, scope, or duration of benefits provided to recipients under the medicaid primary care or nursing care programs during the 1993 biennium unless Title XIX of the federal Social Security Act is amended to require expansion or reduction of benefits as a condition of the state receiving federal financial participation. This provision may not be construed to prohibit the department from implementing coverage provided in 53-6-101(3)(l).

The appropriation in item 6q is contingent on passage and approval of House Bill No. 93.

The rate increases in items 6e and 6h are funded beginning October 1, 1991. The rate increase in item 6j is funded beginning October 1, 1992.

Upon final determination of all general fund money in the department's unreconciled special revenue fund balance (in the approximate total amount of $2,530,153) and the deposit of these funds in the general fund, $438,795 in fiscal 1992 and $485,182 in fiscal 1993 are appropriated to fund the additional general fund costs of the TEAMS project in item 8b. Any funds remaining in the special revenue fund to which the state is entitled must be deposited in the general fund.

However, if a subsequent reconciliation concludes that funds transferred from the unreconciled account to the general fund belong to the federal government, the department may request a general fund supplemental appropriation to repay the federal funds.

House Bill No. 903 requires the department to transfer all money in the federal special revenue account (number 03143) associated with the former department of community affairs grant closeouts reported in the April 1990 legislative audit report. If House Bill No. 903 is passed and approved and a subsequent reconciliation of this account concludes that any of the funds transferred from the account to the general fund belong to the federal government, the department may request a general fund supplemental appropriation to repay the federal funds.

It is the intent of the legislature that annualized expenses for operation of SEARCHS not exceed $1,500,000. This amount includes expenses for any facilities management contracting that may be utilized for system operations, computer processing costs directly associated with operation of the system, and other personal services and nonpersonal services costs directly charged to the management and operation of the system. The department may not proceed with development of SEARCHS until it has demonstrated to the satisfaction of the governor's office of budget and program planning and to the legislative finance committee that the projected annualized operational costs of the system will not exceed the limit imposed in this statement of intent.

Item 9b is funding for a 4.5% rate increase each year of the 1993 biennium to providers of vocational rehabilitation services.

Item 11a is funding for a 4.5% rate increase each year of the 1993 biennium to providers of visual services.

The department is authorized to transfer funds between appropriations for the vocational rehabilitation and visual services programs.

Item 12a is funding for a 4.5% rate increase each year of the 1993 biennium to providers of developmental disabilities services.

	Fiscal 1992					Fiscal 1993				
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total

The department may pursue funding under the federal ICF/MR program for additional intensive service slots funded by the 1991 legislature if the federal government fails to approve adequate medicaid waiver funding under the home and community-based waiver program.

DEPARTMENT OF FAMILY SERVICES (6911)

1.	Management Support (01)										
1,671,245	14,806	535,741			2,221,792	1,670,776	14,784	527,236			2,212,796
a.	Audit (Line Item)										
62,036		38,982			101,018						
b.	Management Information System (Line Item)										
80,037		8,893			88,930						
c.	Management Increases (Line Item)										
109,849		81,583			191,432	102,829		75,227			178,056
d.	Division Directors (Line Item)										
40,082		7,073			47,155	37,789		6,669			44,458
2.	Community Services (02)										
19,705,863	2,607,131	12,097,033			34,410,027	20,227,881	2,614,818	12,178,127			35,020,826
a.	Child Care and Development Block Grant (Line Item)										
		2,373,287			2,373,287			2,641,716			2,641,716
b.	Staff Increases (Line Item)										
233,293		41,169			274,462	224,699		39,653			264,352
c.	Montana Developmental Center Phases I and II SSI (Line Item)										
27,072					27,072	27,072					27,072
d.	Montana Developmental Center Phase IV Child Placement (Line Item)										
42,435		107,565			150,000	84,300		215,700			300,000
e.	Montana Developmental Center Phase IV Case Management (Line Item)										
29,664		51,546			81,210	29,665		51,535			81,200

	Fiscal 1992					Fiscal 1993				
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
f. Montana Developmental Center Phase IV SSI (Line Item)											
19,740					19,740	53,580					53,580
g. Youth Treatment Services (Line Item)											
1,770,656					1,770,656	1,764,354					1,764,354
h. Field Equipment (Line Item)											
20,000					20,000	20,000					20,000
i. Native American Services (Line Item)											
280,863		711,937			992,800	278,977		713,823			992,800
j. SB 37 -- Aftercare Services (Line Item)											
5,105					5,105	33,613					33,613
3. Mountain View (03)											
1,964,695	3,134	103,807			2,071,636	1,981,694	3,135	103,877			2,088,706
a. Staff Increases (Line Item)											
34,902					34,902	33,675					33,675
4. Pine Hills School (04)											
3,205,244	314,045	303,489			3,822,778	3,220,172	320,180	303,344			3,843,696
a. Industries Program (Line Item)											
	6,000				6,000		6,000				6,000
b. Staff Increases (Line Item)											
61,757					61,757	61,707					61,707
Total											
29,364,538	2,945,116	16,462,105			48,771,759	29,852,783	2,958,917	16,856,907			49,668,607

Item 1b is a biennial appropriation.

The department shall submit to the 53rd legislature a report detailing the numbers of developmentally disabled (DD) clients served by the department in

	Fiscal 1992						Fiscal 1993					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total

fiscal 1992 and the actual fiscal 1992 general fund and federal fund expenditures for that service.

The department may provide DD targeted case management through increases in staff, or it may contract for the targeted case management services. The department may transfer the targeted case management program for the developmentally disabled to the department of social and rehabilitation services during the 1993 biennium.

Included in item 2 is a general fund appropriation of $38,708 in fiscal 1992 and $58,083 in fiscal 1993 for increases to day-care providers. Beginning October 1, 1991, the department shall increase day-care provider rates up to 75% of the "local market rate" (the maximum allowed under federal regulations). If federal regulations permit the use of funds from the new "child care and development block grant" for these increases, the department shall decrease the general fund appropriations by the amount of block grant funds available.

In item 2a, the department is appropriated federal funds of $2,373,287 in fiscal 1992 and $2,641,716 in fiscal 1993 for improving the availability and quality of day care. The department shall issue a report to the 53rd legislature detailing the numbers and types of services provided and the actual fiscal 1992 expenditures for those services.

In item 2g, at least $1.3 million for the biennium must be reserved for residential treatment services.

In item 2i, the department may use the funds to contract for direct services on reservations or pay for placement services.

The continuum of service plan is to be presented to the legislative finance committee during calendar 1991 for its review and comment. After review by the committee and consideration of recommendations and upon implementation of the plan, all funds are to be spent in accordance with the plan. The goal of the plan is to develop a comprehensive child welfare service system by July 1, 1993. The system must include but not be limited to family-based services, foster care, therapeutic foster care, group care, residential treatment, and psychiatric hospitalization for youth. Funds appropriated for the youth foster care program may not be transferred to the medicaid program administered by the department.

The personal services reduction may not be applied to social workers in the community services program of the department.

TOTAL SECTION B										
126,965,896	32,918,838	364,312,590	4,743,415		528,940,739	135,191,678	27,918,180	381,337,352	4,572,240		549,019,450

Fiscal 1992						Fiscal 1993					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
					C. NATURAL RESOURCES						
PUBLIC SERVICE REGULATION (4201)											
1. Public Service Regulation Program (01)											
1,791,853		25,137	19,397		1,836,387	1,806,581		25,113	19,380		1,851,074
a. Audit (Line Item)											
15,784					15,784						
b. Consultants (Line Item)											
50,000					50,000						
c. Travel and Registration (Line Item)											
25,000					25,000						
d. Exempt Positions Salaries (Line Item)											
14,400					14,400	14,400					14,400
e. Public Service Commission Relocation -- SB 164 (Line Item)											
176,310					176,310	108,120					108,120
f. Regulation of Log Hauling -- HB 192 (Line Item)											
23,639					23,639	20,027					20,027
Total											
2,096,986		25,137	19,397		2,141,520	1,949,128		25,113	19,380		1,993,621
Items 1b and 1c are biennial appropriations.											
DEPARTMENT OF FISH, WILDLIFE, AND PARKS (5201)											
1. Management Services Division (01)											
	1,184,123	471,048	1,845,483		3,500,654		1,231,525	469,542	1,839,404		3,540,471
a. Audit (Line Item)											
	53,666				53,666						

		Fiscal 1992					Fiscal 1993				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
b. Legislative Contract Authority (Line Item)			65,000			65,000			65,000			65,000
c. Fiscal Management Position (Line Item)		33,801				33,801		32,425				32,425
d. Vehicle Account (Line Item)				163,000		163,000				169,000		169,000
2. Field Services Division (02)		2,139,230	451,282	106,137		2,696,649		2,158,078	457,296	101,115		2,716,489
a. Block Management (Line Item)		170,581				170,581		170,469				170,469
b. Fishing and Motorboat Access (Line Item)		9,880	29,642			39,522		9,863	29,591			39,454
c. Microcomputer Support (Line Item)		30,731				30,731		30,665				30,665
d. Block Management -- Executive Planning Process (Line Item)		234,494				234,494		234,496				234,496
e. Game Damage (Line Item)		50,000				50,000		75,000				75,000
f. Sporting Information (Line Item)		17,000				17,000		17,000				17,000
g. License Agent Commissions (Line Item)		10,300				10,300		97,300				97,300
h. Development and Maintenance of Department Property (Line Item)		60,000				60,000		60,000				60,000
i. Computerize Land Records (Line Item)												

		Fiscal 1992					Fiscal 1993				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
		35,000				35,000		35,000				35,000
j.	Cherry Creek Reservoir (Line Item)											
		100,000	50,000			150,000						
k.	License Drawings -- HB 91 (Line Item)											
		9,864				9,864		7,297				7,297
3.	Fisheries Division (03)											
		2,507,264	2,162,190		18,600	4,688,054		2,367,417	2,130,525			4,497,942
a.	Water Leasing Study (Line Item)											
			60,000			60,000						
b.	Legislative Contract Authority (Line Item)											
			1,245,000			1,245,000			1,505,000			1,505,000
c.	Missouri Basin Reservations (Line Item)											
		41,706	125,120			166,826						
d.	Streambank Projects (Line Item)											
		10,000	31,000			41,000		10,000	31,000			41,000
e.	USFS Fisheries Data Project (Line Item)											
		13,958	41,873			55,831		14,233	42,700			56,933
f.	Evaluate Fish Population (Line Item)											
		27,060	81,180			108,240		27,051	81,152			108,203
g.	Fishing and Motorboat Access (Line Item)											
		8,006	24,017			32,023		8,089	24,264			32,353
h.	Flathead Lake Fishery (Line Item)											
		5,785	17,354			23,139		5,971	17,911			23,882
i.	Clark Fork River Investigation (Line Item)											
		12,318	36,953			49,271		12,317	36,952			49,269

		Fiscal 1992					Fiscal 1993				
		General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
	j.	Fish Hatchery Operations (Line Item)											
		13,750		41,250			55,000		13,750	41,250			55,000
	k.	Evaluation of Fish Introductions -- HB 576 (Line Item)											
		18,750		56,250			75,000						
	l.	Paddlefish Roe -- HB 115 (Line Item)											
		26,000					26,000		26,000				26,000
	m.	Water Measuring Devices -- HB 908 (Line Item)											
		7,250					7,250		21,750				21,750
4.	Law Enforcement Division (04)												
		3,958,760		190,882			4,149,642		3,991,839	190,713			4,182,552
	a.	Legislative Contract Authority (Line Item)											
				40,000			40,000			40,000			40,000
	b.	Special Investigations (Line Item)											
		110,580					110,580		110,547				110,547
	c.	Enforcement Relocation (Line Item)											
		27,000					27,000		27,000				27,000
5.	Wildlife Division (05)												
		2,500,661		2,288,629			4,789,290		2,519,720	2,306,357			4,826,077
	a.	Upland Game Birds (Line Item)											
		1,853,386					1,853,386						
	b.	Legislative Contract Authority (Line Item)											
				1,404,500			1,404,500			1,331,500			1,331,500
	c.	Sun River Game Management Area (Line Item)											
		35,000					35,000						
	d.	Habitat/Timber Sales Plans (Line Item)											

	Fiscal 1992					Fiscal 1993				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
		16,250				16,250		16,250				16,250
e.	Canyon Ferry Wildlife Management Area (Line Item)											
		7,404				7,404		7,398				7,398
f.	Helicopter Rental (Line Item)											
		45,300	45,300			90,600		45,300	45,300			90,600
g.	Upland Game Bird Increase (Line Item)											
		125,000				125,000						
h.	Development and Maintenance of Real Property -- SB 252 (Line Item)											
		532,026				532,026						
6.	Parks Division (06)											
	54,699	3,378,402	289,215	256,913		3,979,229	54,700	3,405,876	289,122	271,732		4,021,430
a.	Land and Water Conservation Fund (Line Item)											
			700,000			700,000						
b.	Legislative Contract Authority (Line Item)											
			25,000			25,000			25,000			25,000
c.	Park Futures Committee (Line Item)											
	368,356					368,356	368,364					368,364
d.	Fishing Access Maintenance (Line Item)											
		49,549				49,549		49,550				49,550
e.	Capitol Grounds Maintenance (Line Item)											
				27,265		27,265				27,258		27,258
f.	Off-Highway Vehicles -- HB 309 (Line Item)											
		98,580				98,580		98,580				98,580
7.	Conservation Education Division (08)											
		1,237,193	149,842			1,387,035		1,241,942	156,244			1,398,186

		Fiscal 1992					Fiscal 1993					
		General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
	a.	Shooting Ranges (Line Item)											
		150,049					150,049						
	b.	Legislative Contract Authority (Line Item)											
				30,000			30,000			30,000			30,000
	c.	Watchable Wildlife (Line Item)											
		29,333					29,333		29,334				29,334
	d.	Aquatic Education (Line Item)											
		2,748		8,244			10,992		2,748	8,244			10,992
	e.	Update Hunter Education (Line Item)											
		6,250		18,750			25,000		6,250	18,750			25,000
	f.	Off-Highway Vehicles -- HB 309 (Line Item)											
		10,900					10,900		10,900				10,900
8.	Administration (09)												
		1,608,450		552,491			2,160,941		1,597,938	550,990			2,148,928
	a.	Legislative Contract Authority (Line Item)											
				100,000			100,000			100,000			100,000
	b.	Legal Services -- Executive Planning Process (Line Item)											
		33,798					33,798		33,801				33,801
	c.	Tribal Relations (Line Item)											
		40,000					40,000		40,000				40,000
	d.	Interagency Support (Line Item)											
		25,000					25,000		25,000				25,000
	e.	Geographic Information System (Line Item)											
		50,000					50,000		40,000				40,000
	f.	Regional Offices Support (Line Item)											

	Fiscal 1992					Fiscal 1993					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
	75,000				75,000		75,000				75,000
g. Sikes Act (Line Item)											
	150,000	20,000			170,000						
h. Predator Control (Line Item)											
	20,000				20,000		20,000				20,000
i. Legal Services (Line Item)											
	12,300				12,300		12,300				12,300
Total											
423,055	23,019,436	10,852,012	2,398,798	18,600	36,711,901	423,064	20,072,969	10,024,403	2,408,509		32,928,945

Items 2j, 3a, 3c, 3k, 5a, 5c, 5g, 5h, 6a, 7a, and 8g are biennial appropriations.

If the department receives private funds, it may increase its state special revenue appropriation and decrease its federal revenue appropriation by like amounts.

The appropriation for the legislative contract authority in items 1b, 3b, 4a, 5b, 6b, 7b, and 8a is subject to the following provisions:

(1) Legislative contract authority applies only to federal and private funds.

(2) Legislative contract authority expenditures must be reported on state accounting records. The records must be separate from current level operations.

(3) A report must be submitted by the department to the legislative fiscal analyst following the end of each fiscal year of the biennium. The report must include a listing of projects, with the related amount of expenditures for each project.

The department shall conduct a study of the options and methods available for allocating administrative costs to the various state special revenue funds managed by the agency. The department shall present the findings of its study to the legislative finance committee by July 1, 1992, along with its recommendation, affected accounts, and any required statute changes.

Item 2f contains $17,000 a year to develop informational displays for use by license agents, and item 2g contains $10,300 in fiscal 1992 and $97,300 in fiscal 1993 for increases in license agents' commissions. The expenditures of these appropriations are contingent on the enactment of Senate Bill No. 171. Senate Bill No. 171 increases certain fishing and hunting license fees.

Item 2h contains $60,000 a year from the general license account for development and maintenance of wildlife management areas, waterfowl projects, parks,

	Fiscal 1992						Fiscal 1993					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total

and fishing access sites. This appropriation is reduced by the amount of funds Senate Bill No. 252, if enacted, provides the general license account for the management of wildlife management areas. Senate Bill No. 252 revises allocation of funds for development and maintenance of wildlife habitat.

Item 3 contains $18,600 in fiscal 1992 to contract with the U.S. fish and wildlife service to raise Kokanee salmon fingerlings at the Creston national fish hatchery. If a second raceway shelter at the Creston national fish hatchery is not purchased, this appropriation is reduced by $8,220.

Item 3i contains $50,042 in fiscal 1992 and $50,040 in fiscal 1993, appropriated for aquatic resource data collection on the Upper Clark Fork River in connection with the state's resource damage assessment suit against ARCO. The department shall present to the 53rd legislature the results of this project. In preparing the 1995 biennial budget for legislative consideration, the office of budget and program planning and the legislative fiscal analyst's office may not include the expenditures from this item in the current level base. In the litigation, the state shall seek reimbursement for all expenses incurred by the department associated with the assessment and litigation. Reimbursement must include interest on the amount commensurate with rates earned in the short-term investment pool.

Item 4c contains $27,000 a year for employee relocation expenses. The department shall present the 53rd legislature with a report on historical expenditures for employee relocation. In preparing the 1995 biennial budget for legislative consideration, the office of budget and program planning and the legislative fiscal analyst's office may not include the expenditures from this item in the current level base.

Item 6 contains $246,266 from federal funds and $55,000 from the general fund in fiscal 1992 and $246,173 from federal funds and $55,000 from the general fund in fiscal 1993 for the Montana conservation corps. It is the intent of the legislature that the department provide a liaison position to coordinate this program with the human resource development council.

Item 8 contains $5,500 in fiscal 1992 to print the department's 5-year strategic plan. In preparing the 1995 biennial budget for legislative consideration, the office of budget and program planning and the legislative fiscal analyst's office may not include the expenditures from this item in the current level base.

Item 8e contains $50,000 in fiscal 1992 and $40,000 in fiscal 1993 for a pilot project to evaluate potential uses of a geographic information system within the department. In preparing the 1995 biennial budget for legislative consideration, the office of budget and program planning and the legislative fiscal analyst's office may not include the expenditures from this item in the current level base.

DEPARTMENT OF STATE LANDS (5501)

1. Central Management Program (01)										
1,435,854	97,627	112,654	188,024		1,834,159	1,436,785	95,037	112,596	185,611	1,830,029
a. Audit (Line Item)										
41,038					41,038					

	Fiscal 1992					Fiscal 1993				
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
b. Trust Land Access (Line Item)											
300,000					300,000						
c. Helena Office Support Staff (Line Item)											
16,451	31,796				48,247	16,350	31,796				48,146
d. Royalty Auditor Travel Expense (Line Item)											
	10,469				10,469		10,469				10,469
e. Revised Lease for Office Space (Line Item)											
82,992					82,992	82,992					82,992
2. Reclamation Program (03)											
299,465	626,141	8,589,719			9,515,325	296,430	630,754	8,589,223			9,516,407
a. Opencut Bond Forfeiture (Line Item)											
	100,000				100,000						
b. Hard-Rock Reclamation (Line Item)											
	100,000				100,000						
c. Hard-Rock Bond Forfeiture (Line Item)											
	100,000				100,000						
d. Environmental Analysis (Line Item)											
	3,000,000				3,000,000						
e. Coal Bureau Workload (Line Item)											
	47,176	97,199			144,375		51,039	104,628			155,667
f. Abandoned Mine Rent (Line Item)											
		17,784			17,784			17,784			17,784
g. Hard-Rock Workload (Line Item)											
	123,609				123,609		116,747				116,747
h. Coal and Uranium Rent (Line Item)											

	Fiscal 1992					Fiscal 1993				
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
	5,335	12,449			17,784		5,335	12,449			17,784
i. Hard-Rock Increase (Line Item)											
	100,000				100,000		100,000				100,000
j. Environmental Compliance (Line Item)											
	129,289				129,289		106,190				106,190
k. SB 253 -- Opencut Reclamation (Line Item)											
	15,500				15,500		15,500				15,500
3. Land Administration Program (04)											
703,122	255,640				958,762	702,276	255,819				958,095
a. Trust Land Management (Line Item)											
90,629					90,629	115,923					115,923
b. Cabinsite Sales (Line Item)											
	70,000				70,000						
4. Forestry (25)											
5,712,977	2,963,314	385,005			9,061,296	5,708,882	2,962,595	385,266			9,056,743
a. Federal Fire Reimbursement (Line Item)											
		100,000			100,000			100,000			100,000
b. State/County Cooperative Fire (Line Item)											
43,040	21,517				64,557	42,670	21,333				64,003
c. Slash Increase (Line Item)											
	31,384				31,384		31,385				31,385
d. Urban Forestry Assistance (Line Item)											
		156,759			156,759			156,764			156,764
e. Forest Resource Management Program (Line Item)											
		336,974			336,974			259,465			259,465

Fiscal 1992						Fiscal 1993					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
f.	Best Management Practices Audit (Line Item)										
10,000					10,000						
g.	Block 5 and Philipsburg Fire (Line Item)										
67,425	33,712				101,137	68,458	34,228				102,686
h.	Best Management Practices Work (Line Item)										
23,435					23,435	23,437					23,437
i.	Forestry Capital Equipment (Line Item)										
100,383	42,117				142,500	100,383	42,117				142,500
j.	HB 731 -- Streamside Management Zones (Line Item)										
52,463					52,463	37,018					37,018
Total											
8,979,274	7,904,626	9,808,543	188,024		26,880,467	8,631,604	4,510,344	9,738,175	185,611		23,065,734

The $300,000 general fund appropriation in item 1b is to be used for an economic study ($250,000) of the surface uses of state lands, with emphasis on recreation uses, and for startup costs ($50,000) of the recreational access program mandated in House Bill No. 778. The study of recreational uses must be performed by an economist with experience in analysis of the economic value of recreation.

Items 2a through 2d, 3b, and 4f are biennial appropriations.

The department shall conduct a study of the options and methods available for allocating administrative costs to the various state special revenue funds managed by the agency. The department shall present the findings of its study to the legislative finance committee by July 1, 1992, along with its recommendation, affected accounts, and any required statute changes.

Item 2i contains $100,000 a year for the hard-rock increase modification. This appropriation is contingent on enactment of House Bill No. 448.

The legislature recommends that the board of land commissioners amend its cabinsite rules to require lessees who apply for sale of their cabinsites to reimburse the department for all expenses it incurs in processing the sale applications.

Item 2k grants spending authority to implement Senate Bill No. 253 and is contingent on passage and approval of Senate Bill No. 253.

Item 4 contains $24,400 a year from the general fund to provide training and materials on best management practices to loggers and forest landowners.

	Fiscal 1992					Fiscal 1993				
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total

If federal funds are received for this purpose, the general fund appropriation must be reduced by a like amount.

Item 4d contains $173,100 a year of federal funds for the urban forestry assistance program. The department shall emphasize replacing dead, diseased, and infected trees in Montana communities. Replacement trees that are adapted to and will survive in Montana must be used.

Item 4f contains $10,000 in fiscal 1992 as a biennial appropriation to coordinate and conduct, in consultation with the environmental quality council, audits of the application and effectiveness of voluntary best management practices for timber sales.

Item 4j is contingent on passage and approval of House Bill No. 731.

Federal fire reimbursement funds are those funds received for expenses incurred from loaning department personnel to federal agencies to assist in fire suppression activities. Only those federal funds received as reimbursement of expenses credited against the department's state forestry operational budget are considered federal fire reimbursement funds. All other federal funds received must be deposited into the general fund. The department shall report federal fire reimbursement expenditures on state accounting records, and the records must be separate from current level operations.

DEPARTMENT OF LIVESTOCK (5603)

1.	Centralized Services Program (01)										
	82,794	352,967	18,170		453,931	82,714	352,623	18,135			453,472
	a.	Audit (Line Item)									
	3,899	16,620			20,519						
2.	Diagnostic Laboratory Program (03)										
	314,947	453,215			768,162	314,978	453,263				768,241
3.	Disease Control Program (04)										
		482,783			482,783		483,794				483,794
4.	Milk and Egg Program (05)										
	150,313		30,707		181,020	149,680		31,268			180,948
5.	Inspection and Control Program (06)										
		2,095,424			2,095,424		1,981,982				1,981,982
	a.	Livestock Workload Increase (Line Item)									
		53,861			53,861		53,794				53,794

	Fiscal 1992					Fiscal 1993					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
6. Predator Control Program (08)												
		374,162				374,162		272,266				272,266
a. Section 8 (Line Item)												
		20,000				20,000		20,000				20,000
7. Rabies Control (09)												
		15,000				15,000		15,000				15,000
8. Meat and Poultry Inspection Program (10)												
	225,720		225,721			451,441	225,510		225,510			451,020
Total												
	777,673	3,864,032	274,598			4,916,303	772,882	3,632,722	274,913			4,680,517
DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION (5706)												
1. Centralized Services (21)												
	1,236,640	390,391	4,391			1,631,422	1,240,145	390,121	4,364			1,634,630
a. Audit (Line Item)												
	42,617					42,617						
b. State of Montana, et al. v. United States Army Corps of Engineers, et al. (Line Item)												
	25,000					25,000						
2. Oil and Gas Regulation (22)												
		1,151,230				1,151,230		1,136,578				1,136,578
a. Oil and Gas Environmental Impact Statement -- Montana Environmental Policy Act Compliance (Line Item)												
		50,000				50,000		50,000				50,000
3. Conservation and Resource Development Division (23)												
	75,935	985,671	54,765			1,116,371	76,343	987,190	54,782			1,118,315
a. Statewide Resource Conservation and Development Coordinator (Line Item)												

	Fiscal 1992					Fiscal 1993					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
	14,470		14,471			28,941	14,438		14,438			28,876
b.	Statewide Resource Conservation and Development Operating Expenses (Line Item)											
	19,887		19,887			39,774						
c.	HB 795 -- Montana Community Infrastructure Program (Line Item)											
	20,000					20,000	20,000					20,000
d.	HB 701 -- Implementation of Clean Coal Technology Project (Line Item)											
		20,000				20,000						
e.	Pay Exceptions (Line Item)											
		8,361				8,361		8,106				8,106
4.	Water Resources and Planning (24)											
	2,555,644	2,011,436	51,316			4,618,396	2,548,521	2,011,112	51,022			4,610,655
a.	Broadwater Equipment (Line Item)											
		336,000				336,000						
b.	Rehabilitation of State-Owned Water Projects (Line Item)											
		991,000				991,000						
c.	Poplar River Monitoring (Line Item)											
		33,050				33,050		33,750				33,750
d.	Middle Creek Dam (Line Item)											
			3,896,925			3,896,925						
e.	Smith River (Line Item)											
			1,600,000			1,600,000						
f.	Tongue River (Line Item)											
		400,000	1,600,000			2,000,000						
g.	Missouri Basin Reservation (Line Item)											
		82,505				82,505		82,317				82,317

	Fiscal 1992					Fiscal 1993				
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
h. Missouri River Operating Expenses (Line Item)											
	375,743				375,743						
i. Hydrologist Pay Exceptions (Line Item)											
	71,113				71,113		71,113				71,113
j. Pay Exceptions (Line Item)											
27,374	90,736				118,110	27,374	90,736				118,110
5. Reserved Water Rights Compact Commission (25)											
150,717	283,447				434,164	150,119	282,652				432,771
a. Pay Exceptions (Line Item)											
3,948	7,331				11,279	3,936	7,311				11,247
b. Hydrologist Pay Exceptions (Line Item)											
	11,440				11,440		11,410				11,410
6. Energy Planning (26)											
486,387	1,248,725	1,093,701			2,828,813	488,280	1,248,920	1,095,275			2,832,475
a. Rock Creek Mitigation (Line Item)											
	400,000				400,000						
b. Lake Broadview (Line Item)											
	30,000				30,000						
c. Energy Conservation (Line Item)											
		107,000			107,000			334,500			334,500
d. Pay Exceptions (Line Item)											
10,349	1,150				11,499	10,042	1,117				11,159
Total											
4,668,968	8,979,329	8,442,456			22,090,753	4,579,198	6,412,433	1,554,381			12,546,012

	Fiscal 1992						Fiscal 1993					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total

Items 1b, 3b, 3d, 4a, 4b, 4d through 4f, 4h, 6a, and 6b are biennial appropriations.

All indirect charges collected on oil overcharge funds are appropriated for transfer to the general fund.

Included in centralized services funding is $10,000 a year of indirect funds from major facility siting fees. If major facility siting activities generate more than $20,000 of indirect funds over the biennium, the additional major facility siting fee indirect funds must be used to fund centralized service operations and an equal amount of centralized service division general fund money must be reverted.

The board of oil and gas conservation is appropriated $110,000 a year from federal special revenue, contingent upon receiving federal funds from the environmental protection agency for the underground injection control program.

The department is authorized up to $700,000 from the account established in 76-14-112 for rangeland loans during the 1993 biennium.

The department is appropriated up to $1 million over the biennium from the account established in 85-1-604 for purchase of prior liens on property held as loan security as required by 85-1-618.

All funds deposited into the state special revenue account established in 76-15-530 are appropriated to the department for distribution as grants to conservation districts.

The general fund appropriation in items 3a and 3b may be expended only as a match for an equal amount of federal funds.

Item 3c is contingent on passage and approval of House Bill No. 795.

Item 3d is contingent on passage and approval of House Bill No. 701.

Funds appropriated in item 4a must be used to repair and replace equipment at the Broadwater hydropower project and to service the Broadwater hydropower project bond debt if revenue deposited in the debt service account is insufficient for this purpose.

Funds received under the provisions of 85-1-514(4) are appropriated to the department for the purpose of performing duties required under 85-1-514.

Any revenue collected in the state water project hydroelectric power generation special revenue account established in House Bill No. 586 is appropriated to the department for the rehabilitation of the Tongue River dam. The revenue will be used only if federal authorization for the project rehabilitation is secured.

Any fines collected under the provisions of Title 85, chapter 2, and deposited in the water right appropriation account in accordance with 85-2-318 are appropriated to the department to carry out the enforcement functions required under 85-2-114.

Funds received from bonds required by 37-43-306 are appropriated to the department for the purpose of performing remedial action on water wells, providing compensation for damages caused by water well violations, or paying administrative costs incurred by the board of water well contractors.

In spending eligible federal energy funds appropriated in item 6, the department shall give priority to developing a self-sustaining program for

	Fiscal 1992						Fiscal 1993					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
retrofitting school buildings with energy conservation measures that is similar to the state building energy conservation program established by Title 90, chapter 4, part 6, for state buildings. The department shall submit to the 53rd legislature proposed legislation necessary to implement the school building energy conservation program.												
The department is appropriated up to $700,000 from the Rock Creek mitigation special account in addition to the $400,000 appropriated in item 6a. The total appropriation for item 6a may not exceed $1,100,000 over the biennium.												
DEPARTMENT OF AGRICULTURE (6201)												
1. Centralized Services Division (15)												
	175,911	188,091	24,504		33,509	422,015	177,241	188,060	24,448		33,443	423,192
a. Audit (Line Item)												
	26,733					26,733						
2. State Grain Laboratory (25)												
		458,676				458,676		460,209				460,209
a. Grain Laboratory Increase (Line Item)												
		61,804				61,804		41,772				41,772
3. Environmental Management Division (30)												
	304,796	1,863,365	257,774			2,425,935	181,644	1,986,743	257,776			2,426,163
a. Pesticide Program Workload (Line Item)												
		57,086				57,086		58,962				58,962
b. Ground Water Program Workload (Line Item)												
		224,295	68,515			292,810		220,278	68,437			288,715
4. Plant Industry Division (40)												
	448,926	143,851	9,144	11,198		613,119	443,564	146,063	9,189	11,251		610,067
5. Agricultural Development (50)												
	235,430	1,751,048	82,696		251,536	2,320,710	230,803	1,755,791	83,491		252,580	2,322,665

	Fiscal 1992					Fiscal 1993				
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
Total										
1,191,796	4,748,216	442,633	11,198	285,045	6,678,888	1,033,252	4,857,878	443,341	11,251	286,023	6,631,745

If House Bill No. 964 is not passed and approved, the general fund appropriation in item 3 is increased by $388,254 in fiscal 1992 and state special revenue is decreased by $388,254 in fiscal 1992, and general fund is increased by $515,919 in fiscal 1993 and state special revenue is decreased by $515,919 in fiscal 1993.

Item 3a contains $58,361 in fiscal 1992 and $60,281 in fiscal 1993 for an increase in the pesticide program. Item 3b contains $294,883 in fiscal 1992 and $291,090 in fiscal 1993 for an increase in the ground water program. These appropriations are contingent on enactment of House Bill No. 964.

The department is authorized to make grants to state agencies from the growth through agriculture account, as approved by the Montana agriculture development council in accordance with Title 90, chapter 9. The state agency that receives a grant from the Montana agriculture development council is authorized additional appropriation authority equal to the grant amount.

The department shall report to the legislative finance committee during fiscal 1992 on the feasibility of the department selling its portfolio of rural assistance program loans to the board of investments, thus enabling it to increase its loan capability.

DEPARTMENT OF COMMERCE (6501)

1.	Public Safety Division (01)									
	70,842		65,338		136,180		70,841		65,250	136,091
	a. Audit (Line Item)									
			464		464					
2.	Weights and Measures Bureau (02)									
	431,469				431,469	408,977				408,977
	a. Audit (Line Item)									
	1,394				1,394					
	b. Equipment Replacement (Line Item)									
	59,386				59,386	24,353				24,353
3.	Financial Division (36)									
		821,173			821,173		821,241			821,241

		Fiscal 1992					Fiscal 1993					
		General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
	a. Audit (Line Item)												
		2,434					2,434						
	b. Bank Analysis Computers (Line Item)												
		27,773					27,773		4,450				4,450
4.	Milk Control Bureau (37)												
		283,503					283,503		284,272				284,272
	a. Audit (Line Item)												
		835					835						
5.	Professional and Occupational Licensing Bureau (39)												
		2,047,292			859,146		2,906,438		2,028,181		858,739		2,886,920
	a. Audit (Line Item)												
					7,703		7,703						
	b. Impairment Program -- Dentists (Line Item)												
		25,000					25,000		25,000				25,000
	c. Miscellaneous Legislation (Line Item)												
		191,641			73,818		265,459		160,482		62,845		223,327
6.	Aeronautics Division (40)												
		599,341		73,599	63,713		736,653		600,391	73,592	63,653		737,636
	a. Audit (Line Item)												
		1,912			144		2,056						
	b. West Yellowstone Airport (Line Item)												
					17,000		17,000						
7.	Transportation Division (50)												
		404,058	62,102	879,734			1,345,894	372,427	71,250	850,835			1,294,512
	a. Audit (Line Item)												

	Fiscal 1992					Fiscal 1993				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
	1,466		978			2,444						
b.	McCarty Farms (Line Item)											
	180,000					180,000						
c.	Local Rail Assistance Grant (Line Item)											
			500,000			500,000						
d.	Construction Loan Fund (Line Item)											
		1,800,000				1,800,000						
8.	Business Development Division (51)											
	761,908	347,062	2,192,329			3,301,299	763,281	347,065	2,192,326			3,302,672
a.	Audit (Line Item)											
	2,633		1,316			3,949						
b.	Business Development Division (Line Item)											
		35,000				35,000		35,000				35,000
c.	Defense Logistics Agency Contract (Line Item)											
		48,839	110,760			159,599		48,841	110,768			159,609
d.	EDA/CDBG Revolving Fund (Line Item)											
			168,922			168,922			169,926			169,926
e.	Canadian Trade Office (Line Item)											
	14,816	55,000				69,816	14,741	55,000				69,741
f.	International Affairs Coordinator (Line Item)											
	38,959	14,581				53,540	38,962	14,582				53,544
g.	Small Business Development Centers Expansion (Line Item)											
			75,000			75,000			100,000			100,000
h.	General Revision of Montana Capital Company Act -- HB 901 (Line Item)											
		42,385				42,385		39,385				39,385

	Fiscal 1992						Fiscal 1993					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
9.	Montana Promotion Division (52)											
		4,752,177				4,752,177		4,757,953				4,757,953
	a.	Audit (Line Item)										
		11,283				11,283						
	b.	Montana Promotional Division (Line Item)										
		1,034,028				1,034,028		1,352,234				1,352,234
10.	Community Development Bureau (60)											
	220,058	2,795,493	20,099,524			23,115,075	219,837	2,796,279	20,110,416			23,126,532
	a.	Audit (Line Item)										
	1,881	2,794	12,748			17,423						
	b.	Section 8 Grant Increase (Line Item)										
			1,000,390			1,000,390			1,000,390			1,000,390
11.	Office of Research and Information Services (61)											
	296,192					296,192	294,276					294,276
	a.	Audit (Line Item)										
	874					874						
	b.	Automation of Census (Line Item)										
	63,061					63,061	52,266					52,266
12.	Local Government Services -- Audit (62)											
	89,770			1,101,410		1,191,180	89,737			1,101,007		1,190,744
	a.	Audit (Line Item)										
				3,244		3,244						
	b.	Local Government Services Peer Review (Line Item)										
				10,000		10,000						
	c.	Single Audit Act -- HB 328 (Line Item)										

	Fiscal 1992						Fiscal 1993					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
				143,137		143,137				144,859		144,859
13.	Local Government Services -- Systems (63)											
	52,741			186,588		239,329	52,605			186,329		238,934
	a. Audit (Line Item)											
				818		818						
14.	Local Government Assistance -- Administration (64)											
				115,466		115,466				115,810		115,810
	a. Audit (Line Item)											
				302		302						
15.	Building Codes Bureau (65)											
	30,058	1,220,487				1,250,545	30,016	1,220,959				1,250,975
	a. Audit (Line Item)											
	125	3,625				3,750						
	b. Vehicle Replacement (Line Item)											
		191,424				191,424						
16.	Indian Affairs Coordinator (70)											
	100,398					100,398	100,457					100,457
	a. Audit (Line Item)											
	278					278						
	b. EEO Grant -- Indian Affairs (Line Item)											
			97,536			97,536			96,992			96,992
17.	Health Facilities Authority (71)											
				116,141		116,141				116,093		116,093
	a. Audit (Line Item)											
				6,100		6,100						

		Fiscal 1992					Fiscal 1993					
		General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
18.	Montana Science and Technology Alliance (73)												
		476,350					476,350	484,420					484,420
	a. Audit (Line Item)												
		10,658					10,658						
	b. R & D Loans -- SB 242 (Line Item)												
		50,000					50,000	50,000					50,000
19.	Board of Housing (74)												
					1,972,226		1,972,226				1,965,745		1,965,745
	a. Audit (Line Item)												
					57,095		57,095						
20.	Investments Division (75)												
					1,544,640		1,544,640				1,544,164		1,544,164
	a. Audit (Line Item)												
					104,059		104,059						
	b. Additional FTE BOI/HFA Bond (Line Item)												
					21,658		21,658				21,609		21,609
	c. Investment Portfolio Managers (Line Item)												
					46,179		46,179				92,367		92,367
21.	Montana State Lottery (77)												
					3,004,658		3,004,658				3,007,793		3,007,793
	a. Audit (Line Item)												
					132,861		132,861						
	b. Montana Lottery (Line Item)												
					3,466,783		3,466,783				3,275,782		3,275,782
	c. Lottery Vehicles (Line Item)												

	Fiscal 1992					Fiscal 1993					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
										55,500		55,500
22.	Board of Horseracing (78)											
		302,171				302,171		302,820				302,820
	a. Audit (Line Item)											
		944				944						
23.	Director/Management Services (81)											
	103,705			749,470		853,175	103,820			748,881		852,701
	a. Audit (Line Item)											
	299			78,920		79,219						
Total												
	3,392,537	16,791,141	25,212,836	13,949,081		59,345,595	3,100,175	15,036,226	24,705,245	13,426,426		56,268,072

Item 5 contains $3,000 in fiscal 1992 and $2,000 in fiscal 1993 for the board of dentistry to implement mandatory continuing professional education requirements for dentists and dental hygienists.

Item 6 contains $33,176 in fiscal 1992 and $33,226 in fiscal 1993. These amounts are not to be used for moving costs associated with the department of transportation if Senate Bill No. 164 is enacted.

If Senate Bill No. 164 is enacted, item 7 contains $31,081 from the general fund and $20,721 from federal funds in fiscal 1992 for moving costs associated with the department of transportation.

Item 7b is for litigation costs associated with the McCarty Farms case. The department shall seek to recover all general fund expenditures plus interest at a rate of 10% from any settlement in this case.

Items 7b through 7d are biennial appropriations.

Item 8c contains $114,000 a year of federal funds to provide assistance for small businesses in contracting with the federal government. General fund money may not be used in place of these federal funds.

Item 8h is contingent on passage and approval of House Bill No. 901.

Item 11b contains $64,264 in fiscal 1992 and $53,466 in fiscal 1993 for automation of census data. In preparing the 1995 biennial budget for legislative

	Fiscal 1992					Fiscal 1993					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total

consideration, the office of budget and program planning and the legislative fiscal analyst's office may not include the expenditures from this item in the current level base.

Item 18b is contingent on passage and approval of Senate Bill No. 242.

All revenue deposited in the science and technology development special revenue account, as established in 90-3-305, is appropriated to the Montana board of science and technology development.

TOTAL SECTION C											
21,530,289	65,306,780	55,058,215	16,566,498	303,645	158,765,427	20,489,303	54,522,572	46,765,571	16,051,177	286,023	138,114,646

Fiscal 1992						Fiscal 1993					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
					D. INSTITUTIONS AND CULTURAL EDUCATION						
MONTANA ARTS COUNCIL (5114)											
1. Promotion of the Arts (01)											
123,729	116,778	198,277			438,784	121,921	116,771	198,253			436,945
a. Audit (Line Item)											
15,784					15,784						
b. Federal Grants -- Biennial (Line Item)											
		307,470			307,470						
c. Federal Grants -- Biennial (Line Item)											
		35,000			35,000						
d. Federal Grants (Line Item)											
		11,535			11,535			11,535			11,535
e. Federal Grants -- Biennial (Line Item)											
		231,130			231,130						
Total											
139,513	116,778	783,412			1,039,703	121,921	116,771	209,788			448,480
Items 1b, 1c, and 1e (federal grants awarded to local communities and schools) are biennial appropriations.											
LIBRARY COMMISSION (5115)											
1. State Library Operations (01)											
956,620	157,431	363,927			1,477,978	970,939	153,905	368,406			1,493,250
a. Audit (Line Item)											
15,784					15,784						
b. Federal Grants -- Biennial (Line Item)											
		1,286,476			1,286,476						

	Fiscal 1992						Fiscal 1993					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
c.	Blind and Physically Handicapped -- FTE and Associated Equipment (Line Item)											
	22,319					22,319	19,097					19,097
d.	Library of Congress Dues (Line Item)											
	1,500					1,500	3,000					3,000
e.	Local Library Assistance -- Biennial (Line Item)											
	258,621					258,621						
f.	Western Library Network Equipment (Line Item)											
		10,000				10,000						
2.	Natural Resource Information Services (07)											
		236,442	14,871			251,313		236,440	14,871			251,311
a.	Contract Authority -- Biennial (Line Item)											
			650,000			650,000						
Total												
	1,254,844	403,873	2,315,274			3,973,991	993,036	390,345	383,277			1,766,658

Item 1b (federal grants for local libraries) is a biennial appropriation.

Item 1d (appropriation for library of congress dues) may not be included in the current level base in the agency budget request for the 1995 biennium.

Item 1e (general fund state aid to local libraries) is a biennial appropriation.

In the event coal severance tax allocated to the state library under 15-35-108(3)(f) exceeds the amounts appropriated to the state library for fiscal 1992 and fiscal 1993, the additional funds are appropriated to the state library commission for pass-through to the library federations.

The biennial appropriation for the legislative contract authority in item 2a is subject to the following provisions:

(1) Legislative contract authority applies only to federal and private funds.

(2) Legislative contract authority expenditures must be reported on state accounting records. The records must be separate from current level operations.

(3) A report must be submitted by the library commission to the legislative fiscal analyst following the end of each fiscal year of the biennium. The report must include a listing of projects with the related amount of expenditures for each project.

	Fiscal 1992						Fiscal 1993					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
HISTORICAL SOCIETY (5117)												
1. Administration Program (01)	462,516	82,762	33,392			578,670	465,061	82,233	33,383			580,677
a. Audit (Line Item)	16,707					16,707						
b. Trustees' Reimbursement (Line Item)	7,654					7,654	7,654					7,654
c. Capitol Tour Guides (Line Item)	25,829					25,829	25,838					25,838
2. Library Program (02)	398,270	29,736				428,006	398,625	29,875				428,500
3. Museum Program (03)	210,130	23,608				233,738	210,124	23,608				233,732
a. Electronic Security (Line Item)	30,000					30,000						
4. Publication Program (04)	48,135			472,778		520,913	48,134			475,867		524,001
a. Audit (Line Item)				1,374		1,374						
b. Merchandise Authority (Line Item)				30,000		30,000				30,000		30,000
c. Milwaukee Mitigation (Line Item)			13,500			13,500						
5. Historical Sites Preservation (06)	72,069		565,233			637,302	72,211		565,717			637,928

	Fiscal 1992					Fiscal 1993					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
a. Audit (Line Item)											
768		4,038			4,806						
b. Computers -- Federal (Line Item)											
		11,400			11,400						
Total											
1,272,078	136,106	627,563	504,152		2,539,899	1,227,647	135,716	599,100	505,867		2,468,330

The Montana historical society has submitted for review plans for up to $95,000 in private funds for the 1993 biennium. The Montana historical society is to present a summary report to its appropriations subcommittee during the 1993 legislature that lists the projects funded with these private funds and the expenditures for each project. These funds are not subject to appropriation and are not included in the above totals. This language is contingent upon passage of House Bill No. 45.

The proprietary authority for a statutorily required transfer of general fund money in the magazine program must be increased by the same amount as the pay plan increase for FTEs supported by the general fund.

Item 1c is contingent on the failure of Senate Bill No. 411.

The amendment made to item 3 that struck $219,191 and $219,078 is contingent on the failure of Senate Bill No. 411.

DEPARTMENT OF INSTITUTIONS (6401)

1. Central Operations Division (10)											
1,563,284					1,563,284	1,562,953					1,562,953
a. Audit (Line Item)											
123,438	41,150	8,512	6,838		179,938						
b. Special Services (Line Item)											
32,500					32,500	32,500					32,500
c. Board of Pardons Staff (Line Item)											
30,995					30,995	26,910					26,910
d. Information System Enhancement (Line Item)											

	Fiscal 1992					Fiscal 1993					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
	130,665					130,665	128,024					128,024
2.	Corrections Division (20)											
	21,046,761	1,302,651	155,023	3,077,232		25,581,667	21,180,633	1,303,227	155,056	3,080,854		25,719,770
	a. Corrections Medical (Line Item)											
	1,869,975					1,869,975						
	b. Staffing for Additional Capacity (Line Item)											
	560,823					560,823	759,892					759,892
	c. Jail Payments -- Parole Violators (Line Item)											
	66,120					66,120	66,120					66,120
	d. Operating Cost Increases (Line Item)											
	80,663					80,663	80,663					80,663
	e. SRFC Chemical Dependency (Line Item)											
		38,350				38,350		38,282				38,282
	f. Female Population Increase (Line Item)											
	77,058					77,058	99,214					99,214
	g. WCC Additional Staff (Line Item)											
	43,306					43,306	43,034					43,034
	h. Local Jurisdiction Sentencing (Line Item)											
	17,312	17,264				34,576	17,301	17,265				34,566
	i. Prerelease Expansion (Line Item)											
	336,395					336,395	358,145					358,145
	j. House Arrest (Line Item)											
	45,000					45,000	45,000					45,000
	k. Great Falls ISP (Line Item)											
	127,739					127,739	70,600					70,600

	Fiscal 1992					Fiscal 1993				
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
l. Probation and Parole Officer Increase (Line Item)											
131,201					131,201	134,526					134,526
m. Jail -- Graduated Sanctions (Line Item)											
66,120					66,120	66,120					66,120
n. Targeted Case Managers (Line Item)											
54,244					54,244	54,128					54,128
o. BLSC Operating Increases (Line Item)											
3,110					3,110	3,110					3,110
p. New Women's Prerelease Center (Line Item)											
278,119					278,119	237,043					237,043
q. Community Prerelease Provider Increases (Line Item)											
27,132					27,132	54,807					54,807
r. Peace Officer Training (Line Item)											
12,200					12,200	5,200					5,200
3. Mental Health Division (30)											
29,395,013	725,403	1,021,946			31,142,362	29,638,062	736,589	1,021,947			31,396,598
a. Child and Adolescent Service System Program (Line Item)											
		13,405			13,405						
b. Federal Data Grant (Line Item)											
		107,100			107,100			26,775			26,775
c. Service Provider Increases (Line Item)											
106,381					106,381	214,889					214,889
d. CFA Additional Staff (Line Item)											
36,100					36,100	36,100					36,100
e. Homeless Block Grants (Line Item)											

	Fiscal 1992						Fiscal 1993					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
			275,000			275,000			275,000			275,000
f.	HB 93 -- Utilization Fee on Nursing Facilities (Line Item)											
	32,370					32,370	64,740					64,740
4.	Chemical Dependency Division (40)											
	230,329	1,556,082	2,032,317			3,818,728	230,329	1,544,395	2,032,298			3,807,022
a.	Alternative Chemical Dependency Services (Line Item)											
			20,817			20,817			41,666			41,666
b.	Community Youth Activity-2 (Line Item)											
			507,276			507,276			15,610			15,610
c.	Chemical Dependency Data Grant (Line Item)											
			65,788			65,788			16,447			16,447
d.	HB 93 -- Utilization Fee on Nursing Facilities (Line Item)											
	16,612					16,612	33,224					33,224
5.	Developmental Disability Division (50)											
	13,460,966	30,227	13,356			13,504,549	12,487,800	30,251	2,440			12,520,491
a.	MDC ICF/MR Certification (Line Item)											
	89,278					89,278	45,633					45,633
b.	Eastmont ICF/MR Certification (Line Item)											
	136,720					136,720	137,102					137,102
6.	Veterans' Nursing Home Division (60)											
	801,882	1,106,550	761,043			2,669,475	794,537	1,144,715	761,129			2,700,381
a.	HB 93 -- Utilization Fee on Nursing Facilities (Line Item)											
	30,200					30,200	60,400					60,400
Total												

Fiscal 1992						Fiscal 1993					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
71,060,011	4,817,677	4,981,583	3,084,070		83,943,341	68,768,739	4,814,724	4,348,368	3,080,854		81,012,685

Contracts negotiated or renegotiated by the department may not extend beyond the end of the 1993 biennium unless they contain the clause "subject to legislative appropriation of funds for this contract".

If the department is unable to recruit and hire professional positions funded in the appropriation and required for patient treatment and/or certification, it may transfer up to 100% of the aggregate personal services cost of each class of vacant position or the cost of the required contract, whichever is less, to operating expenses for the purpose of contracting for services that would have been provided if that position were filled. The department shall certify to the governor or his designated representative that:

(1) the department is unable to fill the position or positions; and

(2) the services that would be provided by that position if filled and by the proposed contract are necessary for either federal medicaid certification or the treatment requirements of its correctional institutions.

Within the industries operations in item 2, the department may submit budget amendments to hire 1 FTE marketing representative, 2 FTE shop supervisors, and 1 FTE prison industries procurement coordinator if funding is available.

Within the industries training program in item 2, the department may submit budget amendments to hire 1 FTE vehicle maintenance shop supervisor if funding is available.

The department is authorized to maintain a cash balance of not more than $16,000 at the end of each fiscal year in the prison industries training proprietary account. Any funds in excess of $16,000 in the proprietary account are to offset the general fund appropriation.

Item 2a, the corrections medical budget, is a biennial appropriation.

The department shall submit budget amendments for the local jurisdiction sentencing option program in item 2h if federal funding becomes available. The total general fund and state special fund share of the program may not exceed 50% and must revert to the respective funds to the extent that federal funding is less than $35,000.

Item 2n contains $55,276 in fiscal 1992 and $55,158 in fiscal 1993 for two targeted case managers at the prison. In preparing the 1995 biennial budget for legislative consideration, the office of budget and program planning and the legislative fiscal analyst's office may not include the expenditures from the above items in the current level base.

Item 2r contains $12,200 in fiscal 1992 and $5,200 in fiscal 1993 from the general fund for peace officer training for probation and parole officers. This appropriation is contingent on passage and approval of Senate Bill No. 379.

Fiscal 1992						Fiscal 1993					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total

Transfers may be made between line items within the mental health division and the alcohol and drug abuse division (chemical dependency) for the purpose of accurately allocating operating expenses associated with the alcohol and drug programs on the Galen campus upon approval of the governor or his designated representative.

Included in item 3 are $22,492,426 in fiscal 1992 and $22,717,860 in fiscal 1993 for the operation of Montana state hospital. Except for approved transfers to the chemical dependency division for the purpose of accurately allocating operating expenses associated with the alcohol and drug programs on the Galen campus, no more than 5% of these funds may be transferred.

In item 3, the department may transfer appropriation authority from the personal services category to the operating expense category of the mental health division budget upon approval by the governor or his designated representative for costs associated with the Ihler lawsuit and the pilot projects in Kalispell, Missoula, and Butte.

Items 3f, 4d, and 6a are contingent on passage and approval of House Bill No. 93.

Included in the appropriation for the Montana state hospital chemical dependency program within item 4 are $1,408,733 in fiscal 1992 and $1,413,201 in fiscal 1993 for the operation of the Galen chemical dependency program. No more than 5% of these funds may be transferred.

The department shall continue to provide acute hospital care, intermediate nursing care, and chemical dependency services at the Montana state hospital at Warm Springs and Galen without significant changes in the program at either campus.

In item 5, the department may transfer appropriation authority from the personal services category to the operating expense category of the Montana developmental center budget upon approval of the governor or his designated representative if the downsizing does not take place on schedule.

TOTAL SECTION D											
73,726,446	5,474,434	8,707,832	3,588,222		91,496,934	71,111,343	5,457,556	5,540,533	3,586,721		85,696,153

Fiscal 1992						Fiscal 1993					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
						E. EDUCATION					
						University units are defined in [section 5 of House Bill No. 454]. For all university units, except the office of the commissioner of higher education, all funds, other than plant funds appropriated in House Bill No. 5, relating to long-range building, and current unrestricted operating funds, are appropriated contingent upon approval of the comprehensive program budget by the board of regents by October 1 of each year. The budget must contain detailed revenue and expenditures and anticipated fund balances of current funds, loan funds, endowment funds, and plant funds. All movement of funds between the current unrestricted subfund and the designated subfund account entities must be clearly identified in the state budgeting and accounting system.					
						Programs for the university units' budgets, except the office of the commissioner of higher education, include instruction, organized research, public service, academic support, student services, institutional support, operation and maintenance of plant, and scholarships and fellowships.					
						All university units, except the office of the commissioner of higher education, shall account for expenditures consistently within programs and funds across all units and shall use the national center for higher education management systems program classification structure, along with the college and university business administration (CUBA) system, as a minimum standard for achieving consistency.					
						OFFICE OF PUBLIC INSTRUCTION (3501)					
						1. Administration (06)					
3,169,983	367,521	2,719,428	832,959		7,089,891	3,149,504	367,773	2,717,688	827,733		7,062,698
						a. Audit (Line Item)					
			52,087		52,087						
						b. GAAP Accounting Standards (Line Item)					
177,824					177,824	178,558					178,558
						c. Financial Management (Line Item)					
214,355			71,769		286,124	172,357			59,727		232,084
						d. Resource Center Funds (Line Item)					
	8,000				8,000						
						e. Distribution of Migrant Grants (Line Item)					
		320,000			320,000			320,000			320,000
						f. Indian Education (Line Item)					

	Fiscal 1992					Fiscal 1993					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
24,071					24,071	23,997					23,997
g.	Audiology -- Biennial (Line Item)										
136,000	82,000				218,000						
h.	Other Federal Funds (Line Item)										
		291,302			291,302			93,709			93,709
i.	Education of the Handicapped -- Part B Administration Set-Aside (Line Item)										
		300,000			300,000			342,000			342,000
j.	Race Equity (Line Item)										
		25,000			25,000			25,000			25,000
k.	Nutrition Education and Training Grant (Line Item)										
		12,500			12,500			12,500			12,500
l.	AIDS Education (Line Item)										
		98,107			98,107			98,109			98,109
m.	Drug Free Schools and Communities (Line Item)										
		131,512			131,512			131,514			131,514
n.	Chapter 1 Program Improvements (Line Item)										
		50,000			50,000			50,000			50,000
o.	ESEA Chapter 2 Program (Line Item)										
		141,843			141,843			141,843			141,843
p.	Expanded Co-op Food Purchase (Line Item)										
	12,500				12,500		13,532				13,532
q.	Bilingual Grant (Line Item)										
		24,673			24,673			24,674			24,674
r.	National Bicentennial Compact (Line Item)										
		7,500			7,500			7,500			7,500

		Fiscal 1992					Fiscal 1993				
General Fund	State Special Revenue	Federal Special Revenue	Propri-etary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Propri-etary	Other	Total
s.	Court-Ordered Attorney Fees -- Ridgeway (Line Item)										
11,000					11,000						
t.	Jobs for Montana Graduates (Line Item)										
		126,517			126,517			124,485			124,485
2.	Distribution to Schools (09)										
a.	Special Education (Line Item)										
32,845,797					32,845,797	32,845,797					32,845,797
b.	Special Education Contingency -- Biennial (Line Item)										
2,031,699					2,031,699						
c.	Transportation (Line Item)										
6,483,120	3,908,166				10,391,286	6,493,558	3,914,457				10,408,015
d.	School Lunch (Line Item)										
599,397					599,397	599,397					599,397
e.	Gifted and Talented (Line Item)										
300,000					300,000	300,000					300,000
f.	Secondary Vocational Education -- Biennial (Line Item)										
1,800,000					1,800,000						
g.	Adult Education (Line Item)										
250,000					250,000	250,000					250,000
h.	Impact Aid (Line Item)										
5,000					5,000	5,000					5,000
i.	Education of the Handicapped -- Part B Biennial (Line Item)										
		1,356,000			1,356,000						
j.	Job Training Partnership Act -- Biennial (Line Item)										
		1,017,200			1,017,200						

		Fiscal 1992					Fiscal 1993				
General Fund	State Special Revenue	Federal Special Revenue	Propri-etary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Propri-etary	Other	Total
k.	Adult Basic Education -- Biennial (Line Item)										
		1,198,000			1,198,000						
l.	McKinney Homeless Act -- Biennial (Line Item)										
		140,400			140,400						
m.	Preschool Incentive -- Biennial (Line Item)										
		230,000			230,000						
n.	Vocational Education -- Biennial (Line Item)										
		5,000,000			5,000,000						
o.	English Literacy -- Biennial (Line Item)										
		25,000			25,000						
p.	Education of the Handicapped -- Part D Biennial (Line Item)										
		45,000			45,000						
q.	Chapter 1 -- Biennial (Line Item)										
		180,000			180,000						
Total											
	48,048,246	4,378,187	13,439,982	956,815	66,823,230	44,018,168	4,295,762	4,089,022	887,460		53,290,412

Item 1 includes $81,564 in fiscal 1992 and $81,810 in fiscal 1993 in the state special revenue fund from the traffic safety account for motorcycle safety. This appropriation is contingent upon the passage and approval of House Bill No. 763.

The legislature approved the addition of 0.5 FTE from the federal national origins grant and 0.5 FTE from the federal school foods grant. These funds are in item 1.

Item 1g is a biennial appropriation.

Item 2b is a biennial appropriation. This appropriation is for unforeseen expenses that may arise in special education programs in local districts. A district board of trustees may apply for an allocation from these funds by presenting to the superintendent of public instruction, for each child, a child-study (CS") report and an individual education plan (IEP) relating to this unforeseen expense or, if the need for additional personnel is due to caseload excess, a board

	Fiscal 1992						Fiscal 1993					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total

of trustees' verification of completed IEPs and CSTs. In addition, a current listing of programs, caseloads, and related costs must be submitted. Contingency funds may be awarded for positions that have gone unfilled for an entire school year and for which regular state special education funds were not awarded. The agency may transfer any unused balance in this appropriation into the special education appropriation in item 2a.

Item 2f is a biennial appropriation.

Items 2i through 2q are biennial appropriations.

All revenue received in the state traffic education account under the provisions of 20-7-504, is appropriated as provided in Title 20, chapter 7, part 5.

BILLINGS VOCATIONAL-TECHNICAL CENTER (3511)

1.	General Operations (01,07,44)											
	1,213,990				682,386	1,896,376	1,198,920				688,861	1,887,781
	a.	Audit (Line Item)										
	25,570					25,570						
Total												
	1,239,560				682,386	1,921,946	1,198,920				688,861	1,887,781

Total audit costs are estimated to be $28,412 for the biennium. Ten percent of these costs must be paid from funds other than those appropriated in items 1 and 1a.

BUTTE VOCATIONAL-TECHNICAL CENTER (3512)

1.	General Operations (01,07,44)											
	1,432,620				351,978	1,784,598	1,463,460				353,473	1,816,933
	a.	Audit (Line Item)										
	26,992					26,992						
Total												
	1,459,612				351,978	1,811,590	1,463,460				353,473	1,816,933

Fiscal 1992						Fiscal 1993					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
Total audit costs are estimated to be $29,990 for the biennium. Ten percent of these costs must be paid from funds other than those appropriated in items 1 and 1a.											
GREAT FALLS VOCATIONAL-TECHNICAL CENTER (3513)											
1. General Operations (01,07,44)											
1,552,944				631,385	2,184,329	1,586,011				634,024	2,220,035
a. Audit (Line Item)											
25,570					25,570						
Total											
1,578,514				631,385	2,209,899	1,586,011				634,024	2,220,035
Total audit costs are estimated to be $28,412 for the biennium. Ten percent of these costs must be paid from funds other than those appropriated in items 1 and 1a.											
HELENA VOCATIONAL-TECHNICAL CENTER (3514)											
1. General Operations (01,07,44)											
1,998,352				549,089	2,547,441	1,948,771				551,207	2,499,978
a. Audit (Line Item)											
26,992					26,992						
Total											
2,025,344				549,089	2,574,433	1,948,771				551,207	2,499,978
Total audit costs are estimated to be $29,990 for the biennium. Ten percent of these costs must be paid from funds other than those appropriated in items 1 and 1a.											
MISSOULA VOCATIONAL-TECHNICAL CENTER (3515)											
1. General Operations (01,07,44)											
2,031,178				666,617	2,697,795	1,952,924				670,365	2,623,289

	Fiscal 1992						Fiscal 1993					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
a. Audit (Line Item)											
22,728					22,728						
Total											
2,053,906				666,617	2,720,523	1,952,924				670,365	2,623,289

Total audit costs are estimated to be $25,254 for the biennium. Ten percent of these costs must be paid from funds other than those appropriated in items 1 and 1a.

The commissioner of higher education may transfer county millage collections among the centers. Total revenue received from the 1.5-mill levy that exceeds $965,005 in fiscal 1992 and $981,480 in fiscal 1993 is appropriated to the office of the commissioner of higher education for distribution to the vocational-technical centers and must result in a general fund reversion of a like amount.

It is the intent of the legislature that the board of regents have additional appropriation flexibility to operate the vocational-technical centers during the 1993 biennium. Therefore, the legislature has approved for each vocational-technical center a single appropriation for its general operations. The appropriation for each postsecondary vocational-technical center listed above is for the following programs: instruction, academic support, student services, institutional support, and operation and maintenance of plant. The vocational-technical centers are exempt from [section 2], which requires personal services line items.

It is further the intent of the legislature that all fiscal matters pertaining to the postsecondary vocational-technical centers during the 1993 biennium and the 1995 biennium budget request be recorded, maintained, and submitted, using the college and university business administration (CUBA) fund structure and functional expenditure classifications.

BOARD OF PUBLIC EDUCATION (5101)

1. Administration (01)												
114,186					114,186	114,001						114,001
a. Audit (Line Item)												
1,264					1,264							
b. Board Hearing -- HB 28 -- Biennial (Line Item)												
3,252					3,252							

	Fiscal 1992						Fiscal 1993					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
2.	Advisory Council (03)											
		71,665				71,665		71,527				71,527
	a. Audit (Line Item)											
		1,262				1,262						
Total												
	118,702	72,927				191,629	114,001	71,527				185,528
	Item 1b is a biennial appropriation.											
COMMISSIONER OF HIGHER EDUCATION (5102)												
1.	Administration Program (01)											
	864,771					864,771	853,079					853,079
	a. Audit (Line Item)											
	20,519					20,519						
	b. Regents Employee Reporting System (Line Item)											
	121,053					121,053	107,424					107,424
2.	Student Assistance Program (02)											
	4,788,611		280,000			5,068,611	4,854,262		280,000			5,134,262
	a. Increased Supplemental Educational Opportunity Grant Match (Line Item)											
	63,590					63,590	63,590					63,590
	b. Increased Perkins Loan Match (Line Item)											
	36,270					36,270	36,270					36,270
	c. State Work Study -- Minimum Wage Increase (Line Item)											
	105,203					105,203	105,203					105,203
3.	Dwight D. Eisenhower Mathematics and Science Education Act (03)											
			249,842			249,842			249,842			249,842

	Fiscal 1992						Fiscal 1993					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
4. Community College Assistance (04)												
	3,785,966					3,785,966	4,215,246					4,215,246
a. Audit (Line Item)												
	29,890					29,890						
5. Montana University System Group Insurance Program (05)												
			13,760,131			13,760,131				16,044,208		16,044,208
a. Group Insurance Additional Costs (Line Item)												
			139,801			139,801				140,249		140,249
6. Talent Search (06)												
			188,829			188,829			188,315			188,315
a. Talent Search Additional Federal Funds (Line Item)												
			48,793			48,793			48,792			48,792
7. Carl D. Perkins Administration (08)												
	92,966		5,115,331			5,208,297	76,970		5,098,843			5,175,813
8. Guaranteed Student Loan Program (12)												
			1,409,410			1,409,410			1,408,634			1,408,634
a. Audit (Line Item)												
			6,630			6,630						
b. Guaranteed Student Loan Additional Workload (Line Item)												
			232,694			232,694			232,691			232,691
c. Supplemental Preclaims Unit (Line Item)												
			43,446			43,446			43,348			43,348
9. Board of Regents -- Administration (13)												
	32,854					32,854	32,863					32,863
10. Board of Regents Bond Payments (14)												

	Fiscal 1992						Fiscal 1993					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
	706,255					706,255	698,153					698,153
11.	Vocational-Technical Center Administration (15)											
	96,575					96,575	96,338					96,338
	a. Vocational-Technical Center Contingency (Line Item)											
	150,000					150,000						
Total												
	10,894,523		7,574,975	13,899,932		32,369,430	11,139,398		7,550,465	16,184,457		34,874,320

Item 2 includes $68,400 general fund in fiscal 1992 and $114,000 general fund in fiscal 1993 for three new medical student WICHE slots in fiscal 1992 and three continuing medical student WICHE slots and 2 new medical student WICHE slots in fiscal 1993. If House Bill No. 1007 is enacted, the general fund appropriation in item 2 must be reduced by $68,400 in fiscal 1992 and $114,000 in fiscal 1993.

The appropriation in item 4 provides 51% and 55% of the total unrestricted budgets for the community colleges in fiscal 1992 and fiscal 1993, respectively. The total unrestricted budgets for the community colleges must be approved by the board of regents.

The general fund appropriation for each community college includes 49% of the total audit cost. The remaining 51% of these costs are to be paid from funds other than those appropriated in items 4 and 4a. Audit costs may not exceed $18,000 each for Dawson and Miles community colleges and $25,000 for Flathead Valley community college for the biennium.

Item 11a is a biennial appropriation.

UNIVERSITY OF MONTANA (5103)

1.	Instruction (01)											
	15,528,473			9,107,802		24,636,275	15,504,308				9,148,531	24,652,839
2.	Organized Research (02)											
	631,517					631,517	632,053					632,053
	a. Bureau of Business and Economic Research (Line Item)											
	30,000					30,000						
3.	Public Service (03)											

	Fiscal 1992						Fiscal 1993					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
	306,560					306,560	426,596					426,596
4.	Operation and Maintenance of Plant (07)											
	5,476,334					5,476,334	5,524,124					5,524,124
5.	Scholarships and Fellowships (08)											
					1,228,074	1,228,074					1,228,074	1,228,074
6.	Support (44)											
	6,762,601				5,342,998	12,105,599	6,777,328				5,384,625	12,161,953
	a. Audit (Line Item)											
	55,244					55,244						
	b. Minimum Wage (Line Item)											
	73,740					73,740	73,740					73,740
	c. Library Books (Line Item)											
	281,715					281,715						
	d. Regents' Employee Reporting System (Line Item)											
	25,766					25,766	25,766					25,766
Total												
	29,171,950				15,678,874	44,850,824	28,963,915				15,761,230	44,725,145

Total audit costs are estimated to be $110,488 for the biennium. Fifty percent of these costs must be paid from funds other than those appropriated in items 1 through 6.

Item 1 contains $130,000 from the general fund in fiscal 1992 and $130,000 from the general fund in fiscal 1993 for the university of Montana pharmacy school over and above the amount generated by the funding formula for the school of pharmacy. Any grant and donation made to the university of Montana for the express purpose of maintaining accreditation at the school of pharmacy may not reduce funds otherwise allocated from the current unrestricted fund. It is the intent of the legislature that the current unrestricted budget allocation by the university of Montana to the school of pharmacy not be reduced. It is the further intent of the legislature that these additional funds become part of the current level base budget for the university of Montana and be included in the 1995

	Fiscal 1992						Fiscal 1993					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
biennium current level budget analysis prepared by the office of the legislative fiscal analyst and presented to the 53rd legislature.												
Items 2a and 6c are biennial appropriations.												
MONTANA STATE UNIVERSITY (5104)												
1. Instruction (01)												
	20,084,648				9,687,288	29,771,936	20,608,791				9,731,683	30,340,474
a. Nursing												
	313,388					313,388	584,443					584,443
b. NSF Mathematics Grant Match -- Biennial (Line Item)												
	1,000,000					1,000,000						
2. Organized Research (02)												
	594,926					594,926	594,947					594,947
3. Public Service (03)												
	260,362					260,362	360,362					360,362
4. Operation and Maintenance of Plant (07)												
	5,978,306					5,978,306	6,042,058					6,042,058
5. Scholarships and Fellowships (08)												
					1,327,730	1,327,730					1,327,730	1,327,730
6. Support (44)												
	8,034,029				5,668,827	13,702,856	8,047,841				5,715,957	13,763,798
a. Audit (Line Item)												
	55,244					55,244						
b. Minimum Wage (Line Item)												
	75,232					75,232	75,232					75,232
c. Library Books (Line Item)												
	321,683					321,683						

Fiscal 1992						Fiscal 1993					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
d. Regents' Employee Reporting System (Line Item)											
28,580					28,580	28,580					28,580
Total											
36,746,398				16,683,845	53,430,243	36,342,254				16,775,370	53,117,624

Total audit costs are estimated to be $110,488 for the biennium. Fifty percent of these costs must be paid from funds other than those appropriated in items 1 through 6.

Item 1b is a biennial appropriation and is contingent on the receipt of the national science foundation mathematics grant being awarded to Montana.

Item 6c is a biennial appropriation.

MONTANA COLLEGE OF MINERAL SCIENCE AND TECHNOLOGY (5105)

1. Instruction (01)											
3,417,769				2,035,482	5,453,251	3,411,274				2,043,500	5,454,774
2. Organized Research (02)											
41,300					41,300	41,415					41,415
3. Operation and Maintenance of Plant (07)											
1,545,483					1,545,483	1,557,023					1,557,023
4. Scholarships and Fellowships (08)											
				201,561	201,561					201,561	201,561
5. Support (44)											
2,279,062				468,393	2,747,455	2,282,457				474,752	2,757,209
a. Audit (Line Item)											
49,721					49,721						
b. Minimum Wage (Line Item)											
35,041					35,041	35,041					35,041
c. Library Books (Line Item)											

	Fiscal 1992						Fiscal 1993					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
	51,805					51,805						
d.	Regents' Employee Reporting System (Line Item)											
	8,993					8,993	8,993					8,993
Total	7,429,174				2,705,436	10,134,610	7,336,203				2,719,813	10,056,016

Total audit costs are estimated to be $66,294 for the biennium. Twenty-five percent of these costs must be paid from funds other than those appropriated in items 1 through 5.

Item 5c is a biennial appropriation.

EASTERN MONTANA COLLEGE (5106)

1.	Instruction (01)											
	3,232,818				4,979,980	8,212,798	3,095,181				5,004,703	8,099,884
2.	Public Service (03)											
	253,236					253,236	254,033					254,033
3.	Operation and Maintenance of Plant (07)											
	2,184,624					2,184,624	2,204,427					2,204,427
a.	Apsaruke Hall Utilities (Line Item)											
	10,000					10,000	10,000					10,000
b.	Billings SID (Line Item)											
	10,503					10,503	6,024					6,024
4.	Scholarships and Fellowships (08)											
					382,715	382,715					382,715	382,715
5.	Support (44)											
	5,027,976				117,382	5,145,358	5,025,779				124,827	5,150,606
a.	Audit (Line Item)											

	Fiscal 1992						Fiscal 1993				
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
52,088					52,088						
b. Minimum Wage (Line Item)											
35,563					35,563	35,563					35,563
c. Library Books (Line Item)											
112,965					112,965						
d. Regents' Employee Reporting System (Line Item)											
14,608					14,608	14,608					14,608
Total											
10,934,381				5,480,077	16,414,458	10,645,615				5,512,245	16,157,860

Total audit costs are estimated to be $69,450 for the biennium. Twenty-five percent of these costs must be paid from funds other than those appropriated in items 1 through 5.

Item 3a is for utilities expense at Apsaruke hall only. Any unused funds revert to the general fund at the end of each fiscal year.

Item 5c is a biennial appropriation.

NORTHERN MONTANA COLLEGE (5107)

1. Instruction (01)											
2,505,437				2,011,170	4,516,607	2,764,317				1,752,290	4,516,607
2. Public Service (03)											
				8,891	8,891					8,891	8,891
3. Operation and Maintenance of Plant (07)											
1,166,288					1,166,288	1,177,153					1,177,153
4. Scholarships and Fellowships (08)											
				278,375	278,375					278,375	278,375
5. Support (44)											
2,312,971				193,409	2,506,380	2,046,279				467,452	2,513,731

	Fiscal 1992						Fiscal 1993				
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
a. Audit (Line Item)											
42,617					42,617						
b. Minimum Wage (Line Item)											
39,730					39,730	39,730					39,730
c. Library Books (Line Item)											
53,234					53,234						
d. Regents' Employee Reporting System (Line Item)											
9,050					9,050	9,050					9,050
Total											
6,129,327				2,491,845	8,621,172	6,036,529				2,507,008	8,543,537

Total audit costs are estimated to be $56,823 for the biennium. Twenty-five percent of these costs must be paid from funds other than those appropriated in items 1 through 5.

Item 5c is a biennial appropriation.

WESTERN MONTANA COLLEGE OF THE UNIVERSITY OF MONTANA (5108)

1. Instruction (01)											
1,531,128				1,027,650	2,558,778	1,526,351				1,033,343	2,559,694
2. Operation and Maintenance of Plant (07)											
738,270					738,270	743,101					743,101
3. Scholarships and Fellowships (08)											
				89,683	89,683					89,683	89,683
4. Support (44)											
1,119,120				353,405	1,472,525	1,119,456				356,123	1,475,579
a. Audit (Line Item)											
43,802					43,802						

	Fiscal 1992						Fiscal 1993				
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
b. Minimum Wage (Line Item)											
38,507					38,507	38,507					38,507
c. Library Books (Line Item)											
31,158					31,158						
d. Regents' Employee Reporting System (Line Item)											
8,865					8,865	8,865					8,865
Total											
3,510,850				1,470,738	4,981,588	3,436,280				1,479,149	4,915,429

Total audit costs are estimated to be $58,402 for the biennium. Twenty-five percent of these costs must be paid from funds other than those appropriated in items 1 through 4.

Item 4c is a biennial appropriation.

Included within current unrestricted funds (contained in the "other" fund column) to the six university units is the sum of $11,887,000 in fiscal 1992 and $12,131,000 in fiscal 1993 from revenue generated under the provisions of 20-25-423. The department of revenue shall levy the full 6 mills as authorized in 20-25-423. Revenue received by the university system under the provisions of 20-25-423 that exceeds $11,887,000 in fiscal 1992 and $12,131,000 in fiscal 1993 is appropriated to the office of the commissioner of higher education for distribution to the university system and must cause a general fund reversion of a like amount.

It is understood by the 52nd legislature that the appropriations contained in [this act] for the six university units may result in the board of regents electing to limit or reduce enrollment during fiscal 1992 and fiscal 1993. It is the intent of the 52nd legislature that if actual enrollments during the 1993 biennium are fewer than the budgeted number of student full-time equivalents for the 1993 biennium, systemwide or by unit, the legislative fiscal analyst shall present to the 53rd legislature a current level budget for the six units, systemwide and by unit, no lower than the budgeted amount for the 1993 biennium.

It is further understood by the 52nd legislature that shortfalls in student tuition due to enrollment declines may be presented to the 53rd legislature for a supplemental appropriation. These tuition shortfalls are not expected to be made up by per-student full-time equivalent tuition increases.

The 52nd legislature intends for the Montana university system to be subject to the personal services line item requirements contained in [section 2]. The dollar amount of the personal services line item is equal to the following:

Fiscal 1992						Fiscal 1993					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total

(1) For the research, public service, and plant programs, the line item amount is equal to the personal services amount contained in table 3 of the Montana university system budget narrative accompanying [this act].

(2) For the instruction program, the line item amount is equal to the personal services amount identified on the original regents'-approved operating budget each fiscal year, but may be no less than the faculty compensation amount contained in table 3 of the Montana university system budget narrative accompanying [this act].

(3) For the support program, the line item amount is equal to the personal services amount identified on the original regents'-approved operating budget each fiscal year.

It is further the intent of the 52nd legislature that the original budgeted personal services by program on the regents' employee reporting system each fiscal year equal the original regents'-approved operating budget by program.

AGRICULTURAL EXPERIMENT STATION (5109)

1. Organized Research (02)											
7,278,082			2,127,376	9,405,458	7,278,043					2,127,056	9,405,099
a. Biological Weed Control (Line Item)											
60,000				60,000	80,572						80,572
2. Livestock and Range Research Station (15)											
			389,344	389,344						374,295	374,295
Total											
7,338,082			2,516,720	9,854,802	7,358,615					2,501,351	9,859,966

COOPERATIVE EXTENSION SERVICE (5110)

1. Public Service (03)											
2,778,004			1,987,347	4,765,351	2,769,940					1,987,404	4,757,344
Total											
2,778,004			1,987,347	4,765,351	2,769,940					1,987,404	4,757,344

	Fiscal 1992						Fiscal 1993				
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
FORESTRY AND CONSERVATION EXPERIMENT STATION (5111)											
1. Research (02)											
711,138					711,138	711,940					711,940
Total											
711,138					711,138	711,940					711,940
BUREAU OF MINES (5112)											
1. Bureau of Mines (11)											
1,288,493				46,410	1,334,903	1,289,384				46,411	1,335,795
Total											
1,288,493				46,410	1,334,903	1,289,384				46,411	1,335,795
SCHOOL FOR THE DEAF AND BLIND (5113)											
1. Administration Program (01)											
197,895					197,895	198,322					198,322
a. Audit (Line Item)											
20,519					20,519						
2. General Services Program (02)											
251,213					251,213	253,044					253,044
3. Student Services (03)											
799,974		34,282			834,256	781,842		34,247			816,089
4. Education (04)											
1,317,179	170,000	131,200			1,618,379	1,315,205	170,000	131,200			1,616,405
a. Supervising Teacher (Line Item)											
33,249					33,249	33,256					33,256

	Fiscal 1992					Fiscal 1993					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
Total											
2,620,029	170,000	165,482			2,955,511	2,581,669	170,000	165,447			2,917,116
MONTANA COUNCIL ON VOCATIONAL EDUCATION (5116)											
1. Administration Program (01)											
		135,578			135,578			135,650			135,650
a. Audit (Line Item)											
		4,104			4,104						
b. Increased Federal Funding (Line Item)											
		30,000			30,000			30,000			30,000
Total											
		169,682			169,682			165,650			165,650
FIRE SERVICES TRAINING SCHOOL (5119)											
1. Fire Services Training School (01)											
236,279					236,279	219,064					219,064
a. Audit (Line Item)											
2,525					2,525						
Total											
238,804					238,804	219,064					219,064
The fire services training school must be provided office, classroom, and storage space in the Great Falls vocational-technical center at no charge.											
TOTAL SECTION E											
176,315,037	4,621,114	21,350,121	14,856,747	51,942,747	269,085,766	171,113,061	4,537,289	11,970,584	17,071,917	52,187,911	256,880,762

Fiscal 1992						Fiscal 1993					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
TOTAL STATE FUNDING											
453,888,142	281,624,813	604,104,453	216,571,437	54,911,330	1,611,100,175	452,814,707	269,639,861	601,317,157	224,556,424	54,781,350	1,603,109,499

-End-

HOUSE JOINT REVENUE ESTIMATING RESOLUTION HJR 24

A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA ESTABLISHING AN OFFICIAL ESTIMATE OF THE STATE'S ANTICIPATED REVENUE FOR EACH YEAR OF THE 1992-93 BIENNIUM FOR THE PURPOSE OF ACHIEVING A BALANCED BUDGET AS MANDATED BY ARTICLE VIII, SECTION 9, OF THE MONTANA CONSTITUTION; ACCEPTING A JUNE 30, 1990, GENERAL FUND AND STATE EQUALIZATION ACCOUNT BALANCE THAT WAS ESTABLISHED BASED ON GENERALLY ACCEPTED ACCOUNTING PRINCIPLES; REQUESTING THE GOVERNOR'S OFFICE OF BUDGET AND PROGRAM PLANNING TO USE THE REVENUE ESTIMATES CONTAINED IN THIS RESOLUTION AS OFFICIAL REVENUE ESTIMATES FOR FISCAL YEARS 1991-92 AND 1992-93; AND ESTABLISHING AN ESTIMATE OF THE NONGENERAL FUND REVENUES FOR THE STATE EQUALIZATION ACCOUNT.

WHEREAS, Article VI, section 9, of the Montana Constitution requires the Governor to submit to the Legislature a budget for the ensuing fiscal period, containing in detail the estimated revenue of the state; and

WHEREAS, Article VIII, section 9, of the Montana Constitution requires that the Legislature may not appropriate funds in excess of the anticipated revenue of the state; and

WHEREAS, section 5-18-107(5), MCA, requires the Revenue Oversight Committee to estimate the amount of revenue projected to be available for legislative appropriation and to

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introduce a house joint resolution setting forth the Committee's current revenue estimate for the biennium; and

WHEREAS, section 5-12-302(6), MCA, requires the Office of the Legislative Fiscal Analyst to assist the Revenue Oversight Committee in its revenue estimating duties; and

WHEREAS, due to the complexity of economic variables involved in revenue forecasting and the diversity of sources from which state revenues are obtained, it has become increasingly difficult to project revenues in order to prepare a balanced budget for the ensuing biennium; and

WHEREAS, past legislatures have not agreed on revenue projections until the last days of the session, when there is little time for comprehensive analysis or reasoned criticism; and

WHEREAS, it is in the best interests of the state that revenue forecasts be discussed and arrived at in public hearings at which all the people may attend and participate.

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA:

That the state general fund revenue for fiscal years 1991, 1992, and 1993 is estimated to be $433,059,000, $455,320,000, and $471,648,000, respectively. The school foundation

revenue for fiscal years 1991, 1992, and 1993 is estimated to be $398,379,000, $372,177,000, and $381,854,000, respectively.

BE IT FURTHER RESOLVED, that the Legislature accepts for budget purposes the unreserved fund balance for the general fund of $89,038,000 and $20,592,000 for the state equalization account, prepared according to generally accepted accounting principles as published in the audited state financial statements as of June 30, 1990.

BE IT FURTHER RESOLVED, that the Governor's Office of Budget and Program Planning use the revenue estimates contained in this resolution as the official revenue estimates for fiscal years 1991-92 and 1992-93.

GENERAL FUND REVENUE

The projections for total general fund revenue during the 1992-93 biennium are based on an assumption of a continuation of Montana law as it existed on January 1, 1991.

The revenue estimates contained in the following tables are based on the assumptions stated previously in this resolution and those listed in the following tables.

ECONOMIC ASSUMPTIONS

Revenue Oversight Committee

YEAR	ASSUMPTION	CY/FY 1990	CY/FY 1991	CY/FY 1992	CY/FY 1993
	MT Population July 1 (Thousands)	800.000	800.000	804.000	808.000
	MT Population > =16 July 1 (Thousands)	608.000	609.000	613.000	617.000
	MT Population 18-24 July 1 (Thousands)	71.000	67.000	64.000	61.000
CY	MT Nonfarm Employment (Thousands)	294.800	295.300	298.900	301.000
CY	MT Personal Income (Billions)	$11.902	$12.471	$13.041	$13.712
CY	MT Nonfarm Wage & Salary Income (Billions)	$5.676	$5.941	$6.226	$6.509
CY	U.S. Corporate Profits Before Taxes (Billions)	$297.700	$303.400	$310.300	$306.600
CY	CPI Percent Change	5.560%	5.730%	3.970%	4.590%
FY	Short-Term Interest Rate	8.120%	7.590%	7.710%	8.130%
FY	Long-Term Interest Rate	9.350%	9.410%	9.480%	9.610%
CY	Prime Interest Rate	9.950%	9.810%	10.000%	10.000%
FY	Treasury Cash Average Balance (Millions)	$327.724	$266.596	$238.918	$219.369
FY	TRANS Issue (Millions)	$0.000	$0.000	$50.000	$90.000
FY	Basis Points (Percentage)	0.000%	0.000%	1.500%	1.500%
FY	Individual Income Tax Audits (Millions)	$10.786	$11.266	$13.517	$14.640
FY	Legislative Audits (Millions)	$0.000	$0.000	$0.750	$0.750
FY	Corporation Tax Audits (Millions)	$8.369	$8.109	$8.239	$8.174
CY	Total Oil Production (Million bbls.)	18.558	18.000	17.600	17.000
CY	Montana Oil Price	$21.600	$21.500	$21.600	$21.227
FY	Statewide Taxable Valuation (Millions)	$1,884.550	$1,564.317	$1,587.654	$1,616.398
CY	Total Coal Production (Million tons)	34.822	34.473	34.356	34.818
CY	Montana Coal Price (CSP)	$7.409	$7.362	$7.434	$7.456

YEAR	ASSUMPTION	CY/FY 1990	CY/FY 1991	CY/FY 1992	CY/FY 1993
FY	Coal Tax Credits (Millions)	$7.141	$4.996	$2.449	$0.000
CY	Total Nat'l Gas Production (M MCF)	45.168	45.622	47.304	47.437
CY	Montana Nat'l Gas Price ($/MCF)	$1.564	$1.773	$1.907	$2.097
CY	Copper Production (M lbs.)	111.061	135.762	137.863	130.776
CY	Gold Production (M ozs.)	0.357	0.348	0.345	0.347
CY	Silver Production (M ozs.)	6.430	6.449	6.454	6.457
CY	Lead Production (M lbs.)	11.651	11.665	11.674	11.739
CY	Zinc Production (M lbs.)	31.986	32.029	32.421	32.602
CY	Molybdenum Production (M lbs.)	13.000	14.100	10.900	9.300
CY	Palladium Production (M ozs.)	0.185	0.200	0.222	0.290
CY	Platinum Production (M ozs.)	0.057	0.061	0.067	0.088
CY	Copper Price	$1.031	$1.046	$1.038	$1.042
CY	Gold Price	$400.675	$400.675	$400.675	$400.675
CY	Silver Price	$4.775	$4.775	$4.775	$4.775
CY	Lead Price	$0.209	$0.209	$0.209	$0.209
CY	Zinc Price	$0.502	$0.502	$0.502	$0.502
CY	Molybdenum Price	$3.104	$3.119	$3.112	$3.115
CY	Palladium Price	$132.725	$132.725	$132.725	$132.725
CY	Platinum Price	$453.253	$453.253	$453.253	$453.253
FY	Forest Receipts (Millions)	$7.582	$11.150	$7.753	$7.705
FY	Permanent Trust Gains/Losses (Millions)	$1.685	$1.195	$1.195	$1.195
FY	Common School Trust Gains/Losses (Millions)	$1.394	$1.231	$1.231	$1.231

YEAR	ASSUMPTION	CY/FY 1990	CY/FY 1991	CY/FY 1992	CY/FY 1993
FY	Resource Ind. Trust Gains/Losses (Millions)	$0.339	$0.339	$0.339	$0.339
FY	Park Acq. Trust Gains/Losses (Millions)	$0.084	$0.054	$0.054	$0.054
FY	Liquor Unit Sales (Millions)	4.883	4.780	4.680	4.582
FY	Wine Unit Sales (Millions)	0.121	0.100	0.083	0.067
FY	Liquor Cost Per Unit	$4.890	$4.977	$5.066	$5.156
FY	Wine Cost Per Unit	$3.262	$3.258	$3.372	$3.483
FY	Liquor Division Budget (% Change)	0.510%	0.000%	0.000%	0.000%
FY	Cigarette Packs (Millions)	69.568	68.874	68.068	67.156
FY	Tobacco Value (Millions)	$7.145	$7.626	$8.053	$8.490
FY	Insurance Premiums Growth (% Change)	1.890%	1.890%	1.890%	1.890%
FY	Insurance Premiums Tax Credit	$2.151	$3.231	$4.311	$5.391
FY	Police & Firemen Retirement (Millions)	$6.076	$6.213	$6.391	$6.479
CY	Telephone Taxable Income (% Change)	$223.653	$234.185	$241.724	$250.770
CY	Kilowatt Hours Produced (Millions)	22,674.000	22,664.000	22,682.000	22,663.000
FY	Barrels of Beer (Millions)	0.704	0.702	0.706	0.711
CY	Freight Line Earnings (Millions)	$21.206	$21.757	$21.768	$21.699
FY	Liters of Wine (Millions)	5.203	5.036	4.907	4.785
FY	Video Machine Net Income (Millions)	$112.635	$126.079	$139.382	$150.333
FY	Statewide Vehicle Value (Millions)	$1,901.204	$1,905.049	$1,935.412	$1,986.326
FY	Per Capita Lottery Sales	$26.917	$32.080	$38.478	$44.817

Current Law

General Fund Revenue Estimates

(In Millions)

Source of Revenue	ESTIMATED FY 1991	ESTIMATED FY 1992	ESTIMATED FY 1993
Individual Income Tax	$150.245000	$182.761000	$193.863000
Corporation License Tax	43.307000	32.724000	32.256000
Coal Severance Tax	7.456000	5.939000	5.913000
Oil Severance Tax	20.295000	19.429000	18.528000
Interest on Investments	20.235000	22.276000	25.152000
Long-Range Bond Excess	43.036000	41.749000	43.233000
Coal Trust Interest Income	42.473000	44.225000	45.890000
Insurance Premiums Tax	18.746000	18.020000	17.395000
Public Institutions Reimb.	12.205000	13.351000	12.930000
Liquor Profits	8.018000	4.363000	4.302000
Liquor Excise Tax	5.500000	5.710000	5.691000
Inheritance Tax	9.391000	9.704000	9.969000
Metal Mines Tax	4.641000	4.661000	4.460000
Electrical Energy Tax	4.240000	4.239000	4.241000
Driver's License Tax	0.879000	0.882000	0.886000
Telephone License Tax	3.903000	4.073000	4.209000
Beer License Tax	1.264000	1.272000	1.280000
Natural Gas Severance Tax	1.438000	1.634000	1.816000

Source of Revenue	ESTIMATED FY 1991	ESTIMATED FY 1992	ESTIMATED FY 1993
Freight Line Tax	1.298000	1.197000	1.193000
Wine Tax	0.806000	0.785000	0.766000
Video Gaming Income Tax	6.304000	6.969000	7.517000
Motor Vehicle Account	6.672000	6.850000	7.033000
Vehicle Fees	2.667000	2.710000	2.781000
Public Contractor's Tax	1.044000	1.070000	1.067000
Other Revenue Sources	16.996000	18.727000	19.277000
GRAND TOTAL	$433.059000	$455.320000	$471.648000

Current Law

Foundation Program Revenue Estimates

(In Millions)

Source of Revenue	ESTIMATED FY 1991	ESTIMATED FY 1992	ESTIMATED FY 1993
State Revenue			
Income Tax	$124.102000	$97.677000	$103.611000
Corporation Tax	20.234000	15.289000	15.070000
Coal Tax	5.523000	4.399000	4.380000
Interest & Income	36.961000	38.063000	39.293000
U.S. Oil & Gas Royalties	25.420000	25.527000	24.916000

Source of Revenue	ESTIMATED FY 1991	ESTIMATED FY 1992	ESTIMATED FY 1993
Education Trust Interest	0.175000	0.070000	0.072000
State Equal. Account Interest	0.629000	0.375000	0.000000
Permanent Trust Interest	6.245000	7.804000	8.098000
Lottery	4.975000	5.997000	7.020000
Statewide 40 Mills	62.573000	63.506000	64.656000
Miscellaneous	7.337000	8.358000	8.722000
County Levy Surplus	0.000000	0.000000	0.000000
Total State	$294.174000	$267.065000	$275.838000
Statewide Taxable Valuation	$1,564.317000	$1,587.654000	$1,616.398000
County Revenue			
45 Mills	$86.037000	$87.321000	$88.902000
Elementary Transportation	-3.754000	-3.766000	-3.779000
Cash Reappropriated	2.657000	1.116000	0.339000
Forest Funds	1.252000	1.276000	1.304000
Taylor Grazing	0.114000	0.113000	0.112000
Miscellaneous	18.701000	19.862000	19.958000
High School Tuition	-0.802000	-0.810000	-0.820000
Total County	$104.205000	$105.112000	$106.016000

Source of Revenue	ESTIMATED FY 1991	ESTIMATED FY 1992	ESTIMATED FY 1993
District Revenue			
Permissive Levy	$0.000000	$0.000000	$0.000000
Light Vehicle Replacement	0.000000	0.000000	0.000000
Total District	$0.000000	$0.000000	$0.000000
Total State, County, District	$398.379000	$372.177000	$381.854000

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